



**Official Report of the Proceedings
of the
BOARD OF EDUCATION
of the City of Chicago**

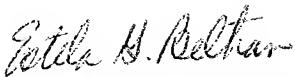
**Regular Meeting-Wednesday, October 22, 2014
10:30 A.M.
(125 South Clark Street)**

Published by the Authority of the Chicago Board of Education

**David J. Vitale
President**

**Estela G. Beltran
Secretary**

ATTEST:



Secretary of the Board of Education
of the City of Chicago

President Vitale took the Chair and the meeting being called to order there were then:

PRESENT: Dr. Bienen, Dr. Hines, Mr. Ruiz, Ms. Zopp, Dr. Azcoitia, Ms. Quazzo, and President Vitale – 7

ABSENT: None

ALSO PRESENT: Dr. Barbara Byrd-Bennett, Chief Executive Officer, Mr. James Bebley, General Counsel, and Angel Diaz, Honorary Student Board Member

ABSENT: None

President Vitale thereupon opened the floor to the Honoring Excellence segment of the Board Meeting.

President Vitale thereupon opened the floor to the CEO Report segment of the Board Meeting. Dr. Barbara Byrd-Bennett, Chief Executive Officer, provided remarks on Standardized Testing. Mr. Tom Tyrrell, Chief Operating Officer, provided a presentation on the Update on Repurposing Closed Buildings [14-1022-OP2 and 14-1022-OP3]. Dr. Byrd-Bennett provided remarks on the Chicago School Fair event held on October 4-5, 2014.

President Vitale thereupon opened the floor to the Public Participation segment of the Board Meeting.

President Vitale thereupon opened the floor to the Discussion of Public Participation.

President Vitale thereupon opened the floor to the Discussion of Public Agenda Items.

President Vitale proceeded to entertain a Motion to go into Closed Session.

Board Member Dr. Hines presented the following Motion:

14-1022-MO1

MOTION TO HOLD A CLOSED SESSION

MOTION ADOPTED that the Board hold a closed session to consider the following

subjects:

- (1) information, regarding appointment, employment, compensation discipline, performance, or dismissal of employees pursuant to Section 2(c)(1) of the Open Meetings Act;
- (2) collective negotiating matters between the public body and its employees or their representatives, or deliberations concerning salary schedules for one or more classes of employees pursuant to Section 2(c)(2) of the Open Meetings Act;
- (3) the purchase or lease of real property for the use of the Board pursuant to Section 2(c)(5) of the Open Meetings Act;
- (4) the setting of a price for the sale or lease of real property owned by the Board pursuant to Section 2(c)(6) of the Open Meetings Act;

- (5) security procedures and the use of personnel and equipment to respond to an actual, a threatened, or a reasonably potential danger to the safety of employees, students, staff, the public, or public property pursuant to Section 2(c)(8) of the Open Meetings Act;
- (6) matters relating to individual students pursuant to Section 2(c)(10) of the Open Meetings Act;
- (7) pending litigation and litigation which is probable or imminent involving the Board pursuant to Section 2(c)(11) of the Open Meetings Act; and
- (8) discussion of closed session minutes pursuant to Section 2(c)(21) of the Open Meetings Act, including audio tapes created pursuant to Section 2.06 of the Open Meetings Act.

Board Member Dr. Bienen moved to adopt Motion 14-1022-MO1.

The Secretary called the roll and the vote was as follows:

Yea: Dr. Bienen, Dr. Hines, Mr. Ruiz, Ms. Zopp, Dr. Azcoitia, Ms. Quazzo, and President Vitale – 7

Nays: None

President Vitale thereupon declared Motion 14-1022-MO1 adopted.

**CLOSED SESSION
RECORD OF CLOSED SESSION**

The following is a record of the Board's Closed Session:

- (1) The Closed Meeting was held on October 22, 2014, beginning at 1:22 p.m. at the Central Service Center, 125 South Clark Street, and President's Conference Room 6th Floor, and Chicago Illinois 60603.
- (2) PRESENT: Dr. Bienen, Dr. Hines, Mr. Ruiz, Ms. Zopp, Dr. Azcoitia, Ms. Quazzo, and President Vitale – 7
- (3) ABSENT: None

- A. Other Reports
- B. Warning Resolutions
- C. Terminations
- D. Personnel
- E. Collective Bargaining
- F. Real Estate
- G. Security
- H. Closed Session Minutes
- I. Individual Student Matters

No votes were taken in Closed Session.

After Closed Session the Board reconvened.

Members present after Closed Session: Dr. Bienen, Dr. Hines, Mr. Ruiz, Ms. Zopp, Dr. Azcoitia, Ms. Quazzo, and President Vitale – 7

Members absent after Closed Session: None

President Vitale thereupon proceeded with Agenda Items.

14-1022-AR2

**WORKERS' COMPENSATION - PAYMENT FOR LUMP SUM SETTLEMENT FOR
JONI JONES-CHANAY - CASE NOS. 11 WC 17257; 12 WC 33944 and 13 WC 6468**

THE GENERAL COUNSEL REPORTS THE FOLLOWING DECISION:

Authorize settlement of the Workers' Compensation claim for Joni Jones-Chaney, Case Nos. 11 WC 17257; 12 WC 33944 and 13 WC 6468 subject to the approval of the Illinois Workers' Compensation Commission, in the amount of **\$60,809.77**.

DESCRIPTION: In accordance with the provisions of the Workers' Compensation Act, the General Counsel has determined that this settlement is in the Board's best interests.

LSC REVIEW: Local school council approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Not applicable.

FINANCIAL: Charge to Workers' Compensation Fund - General Fixed Charges Account #12470-210-57605-119004-000000 FY 2015.....\$60,809.77

PERSONNEL IMPLICATIONS: None

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

14-1022-AR3

**WORKERS' COMPENSATION - PAYMENT FOR LUMP SUM SETTLEMENT FOR
MARI RICE- CASE NO. 13 WC 2079**

THE GENERAL COUNSEL REPORTS THE FOLLOWING DECISION:

Authorize settlement of the Workers' Compensation claim for Mari Rice, Case No. 13 WC 2079 subject to the approval of the Illinois Workers' Compensation Commission, in the amount of **\$75,000.00**.

DESCRIPTION: In accordance with the provisions of the Workers' Compensation Act, the General Counsel has determined that this settlement is in the Board's best interests.

LSC REVIEW: Local school council approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Not applicable.

FINANCIAL: Charge to Workers' Compensation Fund - General Fixed Charges Account #12470-210-57605-119004-000000 FY 2015.....\$75,000.00

PERSONNEL IMPLICATIONS: None

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

14-1022-AR4

WORKERS' COMPENSATION - PAYMENT FOR LUMP SUM SETTLEMENT FOR RUBEN SANTACRUZ - CASE NO. 11 WC 16059

THE GENERAL COUNSEL REPORTS THE FOLLOWING DECISION:

Authorize settlement of the Workers' Compensation claim for Ruben Santacruz, Case No. 11 WC 16059 subject to the approval of the Illinois Workers' Compensation Commission, in the amount of **\$179,118.58**.

DESCRIPTION: In accordance with the provisions of the Workers' Compensation Act, the General Counsel has determined that this settlement is in the Board's best interests.

LSC REVIEW: Local school council approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Not applicable.

FINANCIAL: Charge to Workers' Compensation Fund - General Fixed Charges Account #12470-210-57605-119004-000000 FY 2015.....\$179,118.58

PERSONNEL IMPLICATIONS: None

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

The Secretary called the roll and the vote was as follows:

Yea: Dr. Bienen, Dr. Hines, Mr. Ruiz, Ms. Zopp, Dr. Azcoitia, Ms. Quazzo, and President Vitale – 7

Nay: None

President Vitale thereupon declared Board Reports 14-1022-AR2 through 14-1022-AR4 adopted.

14-1022-AR5

**APPOINT ASSISTANT GENERAL COUNSEL
DEPARTMENT OF LAW
(JOHN S. LAMANTIA)**

THE GENERAL COUNSEL REPORTS THE FOLLOWING RECOMMENDATION:

Appoint the following named individual to the position listed below effective October 6, 2014.

DESCRIPTION:

NAME:	FROM:	TO:
John S. LaMantia	New Employee	Functional Title: Professional V External Title: Assistant General Counsel Pay Band: 7 Department of Law Position No. 245027 Flat rate Annual Salary: \$90,000.00

LSC REVIEW: LSC approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Not applicable.

FINANCIAL: The expenditure involved in this report is not in excess of the regular budget appropriation.

PERSONNEL IMPLICATIONS: The position to be affected by approval of this action is contained in the FY15 School budget.

President Vitale indicated that if there were no objections, Board Report 14-1022-AR5 would be adopted by the last favorable roll call vote, all members present voting therefore.

President Vitale thereupon declared Board Report 14-1022-AR5 adopted.

14-1022-EX6

PRINCIPAL CONTRACT (NEW ALSC)

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the employment of the principal listed below selected by the Chief Executive Officer after receiving the recommendation of the Woodlawn Community Elementary School appointed Local School Council pursuant to Section 5/34-2.4b of the Illinois School Code.

DESCRIPTION: Employ the individual named below to the position of principal subject to the Uniform Appointed Principal's Performance Contract #14-0625-EX2 and Principal Eligibility Policy #14-0723-PO1.

The Talent Office has verified that the following individual has met the requirements for eligibility.

NAME	FROM	TO
LoWanda Bell	Assistant Principal Woodlawn	Contract Principal Woodlawn Network: 9 P.N. 128205 Commencing: September 17, 2014 Ending: September 16, 2018

AUTHORIZATION: Authorize the General Counsel to include other relevant items and conditions in the written agreements. Authorize the President and Secretary to execute the agreement.

LSC REVIEW: The appointed Local School Council has been advised of the Chief Executive Officer's selection of the named individual as contract principal of Woodlawn Community Elementary School.

AFFIRMATIVE ACTION STATUS: None.

FINANCIAL: The salary of this individual will be established in accordance with the provisions of the Administrative Compensation Plan.

PERSONNEL IMPLICATIONS: The position to be affected by approval of this action is contained in the 2014-2015 school budget.

14-1022-EX7

REPORT ON PRINCIPAL CONTRACT (RENEWAL ALSC)

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING:

Approve the employment of the principal listed below selected by the Chief Executive Officer after receiving the recommendation of the Phoenix Military Academy appointed Local School Council pursuant to Section 5/34-2.4b of the Illinois School Code.

DESCRIPTION: Employ the individual named below to the position of principal subject to the Uniform Appointed Principal's Performance Contract #14-0625-EX2 and Principal Eligibility Policy #14-0723-PO1

The Illinois Administrators Academy has verified that the following principal has completed 20 hours of Professional Development. The **RENEWAL** contract commences on the date specified in the contract and terminates on the date specified in the contract.

<u>NAME</u>	<u>FROM</u>	<u>TO</u>
Ferdinand Wipachit	Contract Principal Phoenix Military Academy	Contract Principal Phoenix Military Academy Network: Service Leadership Academy P.N. 134419 Commencing: July 1, 2015 Ending: June 30, 2019

AUTHORIZATION: Authorize the General Counsel to include other relevant items and conditions in the written agreement. Authorize the President and Secretary to execute the agreement.

LSC REVIEW: The appointed Local School Council has been advised of the Chief Executive Officer's selection of the named individual as renewal contract principal of Phoenix Military Academy.

AFFIRMATIVE ACTION STATUS: None.

FINANCIAL: The salary of the named individual will be established in accordance with the provisions of the Administrative Compensation Plan.

PERSONNEL IMPLICATIONS: The position to be affected by approval of this action is contained in the 2014-2015 school budget.

14-1022-EX8

**WARNING RESOLUTION – VANESSA ALVARADO, TENURED TEACHER,
ASSIGNED TO JAMES RUSSELL LOWELL SCHOOL**

TO THE CHICAGO BOARD OF EDUCATION

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

That the Chicago Board of Education adopts a Warning Resolution for Vanessa Alvarado and that a copy of this Board Report and Warning Resolution be served upon Vanessa Alvarado.

DESCRIPTION: Pursuant to the provisions of 105 ILCS 5/34-85, the applicable statute of the State of Illinois, and the Rules of the Board of Education of the City of Chicago, a Warning Resolution be adopted and issued to Vanessa Alvarado, Teacher, to inform her that she has engaged in unsatisfactory conduct.

The conduct outlined in the Warning Resolution will result in the preferring of dismissal charges against Vanessa Alvarado, pursuant to the Statute, if said conduct is not corrected immediately and maintained thereafter in a satisfactory fashion following receipt of the Warning Resolution. Directives for improvement of this conduct are contained in the Warning Resolution.

LSC REVIEW: LSC review is not applicable to this report.

**AFFIRMATIVE
ACTION REVIEW:** None.

FINANCIAL: This action is of no cost to the Board.

**PERSONNEL
IMPLICATIONS:** None.

14-1022-EX9

**WARNING RESOLUTION – KENNETH BUDZ, TENURED TEACHER,
ASSIGNED TO GAGE PARK HIGH SCHOOL**

TO THE CHICAGO BOARD OF EDUCATION

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

That the Chicago Board of Education adopts a Warning Resolution for Kenneth Budz and that a copy of this Board Report and Warning Resolution be served upon Kenneth Budz.

DESCRIPTION: Pursuant to the provisions of 105 ILCS 5/34-85, the applicable statute of the State of Illinois, and the Rules of the Board of Education of the City of Chicago, a Warning Resolution be adopted and issued to Kenneth Budz, Teacher, to inform him that he has engaged in unsatisfactory conduct.

The conduct outlined in the Warning Resolution will result in the preferring of dismissal charges against Kenneth Budz, pursuant to the Statute, if said conduct is not corrected immediately and maintained thereafter in a satisfactory fashion following receipt of the Warning Resolution. Directives for improvement of this conduct are contained in the Warning Resolution.

LSC REVIEW: LSC review is not applicable to this report.

**AFFIRMATIVE
ACTION REVIEW:** None.

FINANCIAL: This action is of no cost to the Board.

**PERSONNEL
IMPLICATIONS:** None.

President Vitale indicated that if there were no objections, Board Reports 14-1022-EX6 through 14-1022-EX9 would be adopted by the last favorable roll call vote, all members present voting therefore.

President Vitale thereupon declared Board Reports 14-1022-EX6 through 14-1022-EX9 adopted.

14-1022-RS5

**RESOLUTION BY THE BOARD OF EDUCATION OF THE CITY OF CHICAGO
REGARDING THE DISMISSAL OF ROBERT OSEID, TENURED TEACHER,
ASSIGNED TO SCHMID ELEMENTARY SCHOOL**

WHEREAS, pursuant to Section 34-85 of the Illinois School Code, 105 ICS 5/34-85, a hearing was conducted before an impartial hearing officer, Vicki Peterson Cohen, appointed by the Illinois State Board of Education; and

WHEREAS, after the conclusion of the dismissal hearing afforded to Robert Oseid, the Hearing Officer made written findings of fact and conclusions of law, and recommended the discharge of Mr. Oseid; and

WHEREAS, the Board of Education of the City of Chicago has reviewed the post-hearing briefs and hearing transcript and exhibits ("record"), along with the findings of fact, conclusions of law, and recommendation of Hearing Officer Cohen regarding the dismissal charges preferred against Robert Oseid; and

WHEREAS, the parties were given an opportunity to submit exceptions and a memorandum of law in support of or in opposition to the Board's adoption of Hearing Officer Cohen's recommendation; and

WHEREAS, the Board of Education of the City of Chicago accepts the factual findings and conclusions of the hearing officer, and concludes that the record establishes facts that constitute cause for dismissal of Mr. Oseid.

NOW THEREFORE, be it resolved by the Board of Education of the City of Chicago, as follows:

Section 1: After considering (a) the Hearing Officer's findings of fact, conclusions of law and recommendation, (b) the record of the dismissal hearing, and (c) any post-hearing arguments submitted by either party, the Board of Education of the City of Chicago accepts the Hearing Officer's findings of fact and legal conclusions.

Section 2: Robert Oseid is hereby dismissed from his employment with the Board of Education of the City of Chicago effective October 22, 2014.

Section 3: This Resolution shall take full force and effect upon its adoption.

THEREFORE, this Resolution is hereby adopted by the members of the Board of Education of the City of Chicago on October 22, 2014.

The Secretary presented the following Statement for the Public Record:

This Resolution accepts the hearing officer's recommendation.

14-1022-RS6

RESOLUTION APPROVING CHIEF EXECUTIVE OFFICER'S RECOMMENDATION TO DISMISS EDUCATIONAL SUPPORT PERSONNEL

WHEREAS, on October 17, 2014 the Chief Executive Officer submitted a written recommendation, including the reasons for the recommendation, to the Board to dismiss the following educational support personnel pursuant to Board Policy 04-0728-PO1:

Name	School	Effective Date
Kenneth Brown	South Shore School of Leadership	October 22, 2014

WHEREAS, the Chief Executive Officer followed the procedures established by her prior to making the recommendation;

WHEREAS, the Board has reviewed the reasons for the Chief Executive Officer's recommendation;

WHEREAS, the Chief Executive Officer or her designee has previously notified the affected educational support personnel of his pending dismissal;

NOW, THEREFORE, BE IT RESOLVED:

1. That pursuant to Board Policy 04-0728-PO1, the above-referenced educational support personnel is dismissed from Board employment effective on the date set opposite his name.
2. The Board hereby approves all actions taken by the Chief Executive Officer or her designee to effectuate the dismissal of the above-named educational support personnel.
3. The Chief Executive Officer or her designee shall notify the above-named educational support personnel of his dismissal.

14-1022-RS7

RESOLUTION APPROVING CHIEF EXECUTIVE OFFICER'S RECOMMENDATION TO DISMISS PROBATIONARY APPOINTED TEACHERS

WHEREAS, October 17, 2014, the Chief Executive Officer submitted written recommendations, including the reasons for the recommendations, to the Board to dismiss the following probationary appointed teachers pursuant to Board Rule 4-7b.2(b) and 105 ILCS 5/34-84:

Name	School	Effective Date
DeNell Jones	John J Pershing East Magnet School	October 22, 2014
Katherine O'Hara	James Monroe School	October 22, 2014

WHEREAS, the Chief Executive Officer followed the procedures established by her prior to making the recommendation;

WHEREAS, the Board has reviewed the reasons for the Chief Executive Officer's recommendation;

WHEREAS, the Chief Executive Officer or her designee has previously notified the affected probationary appointed teachers of their pending dismissal;

NOW, THEREFORE, BE IT RESOLVED:

1. That pursuant to Board Rule 4-7b.2(b) and 105 ILCS 5/34-84, the above-referenced probationary appointed teachers are dismissed from Board employment effective on the date set opposite their names.
2. The Board hereby approves all actions taken by the Chief Executive Officer or her designee to effectuate the dismissal of the above-named probationary appointed teachers.
3. The Chief Executive Officer or her designee shall notify the above-named probationary appointed teachers of their dismissal.

The Secretary presented the following Statement for the Public Record:

I would like to note for the record that on October 17, 2014, the Board Members and the Office of the Board received the CEO'S Recommendation to Dismiss Probationary Appointed Teachers Pursuant to Board Rule 4-7b.2(b) and 105 ILCS 5/34-84. Her recommendation included the names of the Teachers affected and the reasons. She also noted that the Teachers affected will be notified of their dismissal after adoption of the resolution.

President Vitale indicated that if there were no objections, Board Reports 14-1022-RS5 through 14-1022-RS7 would be adopted by the last favorable roll call vote, all members present voting therefore.

President Vitale thereupon declared Board Reports 14-1022-RS5 through 14-1022-RS7 adopted.

Vice President Ruiz presented the following motion:

14-1022-MO2

**MOTION RE: ADOPT AND MAINTAIN AS CONFIDENTIAL
CLOSED SESSION MINUTES FROM SEPTEMBER 24, 2014**

MOTION ADOPTED that the Board adopt the minutes of the closed session meeting of September 24, 2014 pursuant to Section 2.06 of the Open Meetings Act. Board Members reviewed these minutes and determined that the need for confidentiality exists. Therefore, the minutes of the closed session meeting held on September 24, 2014 shall be maintained as confidential and not available for public inspection.

Board Member Zopp moved to adopt Motion 14-1022-MO2.

The Secretary called the roll and the vote was as follows:

Yea: Dr. Bienen, Dr. Hines, Mr. Ruiz, Ms. Zopp, Dr. Azcoitia, Ms. Quazzo, and President Vitale – 7

Nays: None

President Vitale thereupon declared Motion 14-1022-MO2 adopted.

Board Member Zopp presented the following motion:

14-1022-MO3

**MOTION RE: APPROVAL OF RECORD OF PROCEEDINGS OF MEETINGS
OPEN TO THE PUBLIC SEPTEMBER 24, 2014**

MOTION ADOPTED that the record of proceedings of the Regular Board Meeting of September 24, 2014 prepared by the Board Secretary be approved and that such records of proceedings be posted on the Chicago Board of Education website in accordance with Section 2.06(b) of the Open Meetings Act.

Vice President Ruiz moved to adopt Motion 14-1022-MO3.

The Secretary called the roll and the vote was as follows:

Yea: Dr. Bienen, Dr. Hines, Mr. Ruiz, Ms. Zopp, Dr. Azcoitia, Ms. Quazzo, and President Vitale – 7

Nays: None

President Vitale thereupon declared Motion 14-1022-MO3 adopted.

14-1022-OP2

DISPOSITION OF BIDS RECEIVED FOR THE SALE OF 125 SOUTH CLARK STREET

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

That the Board request the City of Chicago, in Trust for Use of Schools ("the City") convey to Blue Star Holdings, LLC, an Illinois limited liability company, at the request of Blue Star Properties, Inc., an Illinois corporation ("Purchaser"), the land and improvements located at 125 South Clark Street, Chicago, Illinois ("Property") as further described herein. The Offer to Purchase Real Estate contained in the bid solicitation, which has been executed by the Purchaser, will convert to a contract upon acceptance and execution by the Board. Information pertinent to this agreement is stated below.

LEGAL DESCRIPTION & PIN: See the attached Exhibit A.

BID INFORMATION: In accordance with 105 ILCS 5/34-21, the Property was advertised for sale from January 13, 2014, through March 17, 2014. Bids were received by the Procurement Department by 2:00 p.m. on March 17, 2014, and opened on the same date. The following five (5) bids were received:

	Bidder	Bid	Status
Bidder 1	Clark 125 Acquisition, LLC	\$42,000,000	Withdrawn
Bidder 2	Blue Star Properties, Inc.	\$28,000,000	Confirmed highest bidder
Bidder 3	SL 125 S Clark Owners, LLC	\$26,100,000	
Bidder 4	FG LA Investment Company LLC	\$17,250,000	
Bidder 5	AG-WORK 125 SC LLC	\$12,000,000	

On June 10, 2014, after completion of the due diligence period permitted by the bid solicitation, Clark 125 Acquisition, LLC withdrew its bid. On September 19, 2014, after completion of its permitted due diligence period, Blue Star Properties confirmed it would proceed with the acquisition of the Property.

APPRAISAL: On September 23, 2014, an appraisal of the Property was made for the benefit of the Board, which indicated a fair market value as follows:

Appraiser: Appraisal Associates
Market Value: \$26,650,000

RECOMMENDATION: The Property is not needed for school or administrative purposes. The Property currently serves as the administrative headquarters for CPS. The headquarters office will be relocated to a new leased site located at 42 West Madison Street in Chicago (a/k/a One North Dearborn Street), as authorized by Board Report 13-1218-OP3 and amended by Board Reports 14-0326-OP1 and 14-0625-OP2. The Property shall be sold "as is, where is." Pursuant to the bid submitted by the Purchaser, title shall be conveyed to Blue Star Holdings, LLC. The appraisal and the bids received were reviewed and it is recommended that the following bid be accepted:

Bidder: Blue Star Properties, Inc.
Address: 600 West Van Buren Street, Suite 1000, Chicago, IL 60607
Contact: Craig Golden, 312-855-2200
Offer: \$28,000,000
Title conveyed to: Blue Star Holdings, LLC

AUTHORIZATION: Authorize the President and Secretary to execute the Offer to Purchase agreement and to modify the legal description if necessary upon receipt of a title commitment and survey. Authorize the City to issue a deed in favor of Blue Star Properties, Inc. Authorize the General Counsel to take any and all actions required to effectuate this transaction. Authorize the General Counsel and Chief Operating Officer to execute any and all ancillary documents required to administer or effectuate this transaction.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this transaction.

FINANCIAL: Proceeds (Purchaser's bid price, less closing costs and seller's brokerage fee) to be credited to the Capital Asset Fund.

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

EXHIBIT A

THE PROPERTY

The Board reserves the right to make changes as necessary to clarify or correct property information.

Common address: 125 South Clark Street, Chicago, Illinois 60603

PINs: 17-16-212-016, -017 and -018

Legal description:

PARCEL 1:

THE EAST 1/2 OF LOT 7, EXCEPT THE NORTH 9 FEET THEREOF TAKEN FOR ALLEY; THE WEST 1/2 OF LOT 7, EXCEPT THE NORTH 9 FEET THEREOF TAKEN FOR ALLEY; THE SOUTH 87 FEET OF LOT 8; THE NORTH 40 FEET OF THE SOUTH 2/3 OF THE FOLLOWING DESCRIBED PARCEL TAKEN AS A TRACT: LOT 8, EXCEPT THE NORTH 9 FEET THEREOF TAKEN FOR ALLEY, ALL IN BLOCK 120 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE NORTH 1/3 OF THE FOLLOWING DESCRIBED PARCEL TAKEN AS A TRACT: LOT 8, EXCEPT THE NORTH 9 FEET THEREOF TAKEN FOR ALLEY, IN BLOCK 120 IN THE SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 1 AND PARCEL 2 MAY ALSO BE DESCRIBED AS FOLLOWS:

LOT 7, EXCEPT THE NORTH 9.00 FEET THEREOF TAKEN FOR ALLEY, AND LOT 8, EXCEPT THE NORTH 9.00 FEET THEREOF TAKEN FOR ALLEY, ALL IN BLOCK 120 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

14-1022-OP3

**DISPOSITION OF BIDS RECEIVED FOR THE FORMER PEABODY SCHOOL SITE
LOCATED AT 1434 & 1444 WEST AUGUSTA AVENUE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

That the Board request the Public Building Commission of Chicago ("PBC") convey to Svigos Asset Management, Inc., an Illinois corporation ("Purchaser"), the land and improvements located at the former Peabody School site, 1434 & 1444 West Augusta Avenue, Chicago, Illinois ("Property") as further described herein. The Offer to Purchase Real Estate contained in the bid solicitation, which has been executed by the Purchaser, will convert to a contract upon acceptance and execution by the Board. Information pertinent to this agreement is stated below.

LEGAL DESCRIPTION & PIN: See the attached Exhibit A.

BID INFORMATION: In accordance with 105 ILCS 5/34-21, the Property was advertised for sale from August 1, 2014, through August 29, 2014. Bids were received by the Procurement Department by 2:00 p.m. on March 17, 2014, and opened on the same date. Eight (8) bids were received, and pursuant to 105 ILCS 5/34-21, CPS negotiated with the top two (2) bidders for best and final offers. Svigos Asset Management, Inc. submitted the highest final bid at \$3,501,000. A summary of the bids is as follows:

	Bidder	Bid	Best & Final Bid	Status
Bidder 1	Svigos Asset Management, Inc.	\$3,000,000	\$3,501,000	Confirmed highest bid
Bidder 2	Madison 129, LLC	\$3,000,000	\$3,125,000	
Bidder 3	Tanya Radunsky	\$2,800,000		
Bidder 4	Augusta Equities, LLC	\$2,051,500		
Bidder 5	Morningside Equities Group, LLC	\$1,700,000		
Bidder 6	Property Acquisition Group, Inc.	\$1,700,000		
Bidder 7	PR Carpenter, LLC	\$1,000,000		
Bidder 8	Northwestern University Settlement Association	\$1,000,000		

APPRAISAL: On September 5, 2014, an appraisal of the Property was made for the benefit of the Board, which indicated a fair market value as follows:

Appraiser: KMD Valuations Group, LLC
Market Value: \$3,100,000 to \$3,300,000

RECOMMENDATION: The Property is not needed for school purposes. The Property previously housed Peabody Elementary School, which closed in 2013. The sale of the Property is in the best interests of the Board in accordance with 105 ILCS 5/34-21. The PBC shall include a restrictive covenant in the deed requiring a portion or all of the Property to be used exclusively as one or more of the following: (1) after-school programming; (2) workforce development and job training; (3) child care and head start programming; (4) youth recreational, educational and creative arts programming; (5) family support services; and/or (6) community meeting space; and for no other purpose without prior written approval from the Board. Title to the Property will revert back to the City of Chicago, in Trust for Use of Schools, or the Public Building Commission of Chicago, as legal title holder of record for the benefit of the Board if this restriction is breached without the Board's prior written approval. The Property shall be sold "as is, where is." The appraisal and the bids received were reviewed and it is recommended that the following bid be accepted:

Name: Svigos Asset Management, Inc.
Address: 1 West Dundee, Suite 200, Buffalo Grove, IL 60089
Contact: Nick Vittore, (312) 479-6130
Offer: \$3,501,000

AUTHORIZATION: Authorize the President and Secretary to execute the Offer to Purchase agreement and to modify the legal description if necessary upon receipt of a title commitment and survey. Authorize the City to issue a deed in favor of Blue Star Properties, Inc. Authorize the General Counsel to take any and all actions required to effectuate this transaction. Authorize the General Counsel and Chief Operating Officer to execute any and all ancillary documents required to administer or effectuate this transaction.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this transaction.

FINANCIAL: Proceeds (Purchaser's bid price, less closing costs and seller's brokerage fee) to be credited to the Capital Asset Fund.

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

EXHIBIT A

THE PROPERTY

The Board reserves the right to make changes as necessary to clarify or correct property information.

Common address: 1434 & 1444 West Augusta Avenue, Chicago, Illinois

PINs: 17-05-309-080, 17-05-309-094

Legal Description:

LOTS 30 TO 47, INCLUSIVE, IN BLOCK 2 IN MCCAGG'S SUBDIVISION OF BLOCK 19 IN CANAL TRUSTEE'S SUBDIVISION OF THE WEST 1/4 (EXCEPT THE SOUTH EAST 1/4 OF THE NORTH WEST 1/4 AND THE NORTH EAST 1/4 OF THE SOUTHWEST 1/4) OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

President Vitale indicated that if there were no objections, Board Reports 14-1022-OP2 and 14-1022-OP3 would be adopted by the last favorable roll call vote, all members present voting therefore.

President Vitale thereupon declared Board Reports 14-1022-OP2 and 14-1022-OP3 adopted.

The Secretary presented the following Statement for the Public Record:

I would like to note that there will be a separate vote taken on RS3. This is the resolution authorizing the execution and delivery by the Board of the Intergovernmental Agreement for the Social Impact Bond.

14-1022-RS1

RESOLUTION LEVYING PROPERTY TAXES AND AUTHORIZING AND DIRECTING THE FILING OF A CONTROLLER'S CERTIFICATE FOR THE FISCAL YEAR 2014-2015 FOR SCHOOL PURPOSES OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO

BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE CITY OF CHICAGO as follows:

Section 1. Findings. The Board of Education of the City of Chicago does hereby find and declare as follows:

(a) The Board adopted on July 23, 2014, its Annual School Budget, which sets forth the appropriations and liabilities of the Board for Fiscal Year 2014-2015, which begins on July 1, 2014, and ends on June 30, 2015

(b) The Board requires to be levied, and it is necessary for the Board to levy, real estate taxes in the amount of Two Billion, Three Hundred and Fifteen Million Dollars (\$2,315,000,000) for its 2014-2015 Fiscal Year, as set forth in Section 2 of this Resolution.

Section 2. Levy. There are levied for the Board's Fiscal Year 2014-2015, upon all taxable property in the City of Chicago, real estate taxes for the purpose of establishing and supporting free schools and defraying their expenses, for the following specific purposes:

(a) For educational purposes, including without limitation, in addition to general education purposes, including, as authorized before the adoption of Public Act 89-15, constructing, acquiring, leasing (other than from the Public Building Commission of Chicago),

operating, maintaining, improving, repairing, and renovating land, buildings, furnishings, and equipment for school houses and buildings, and related incidental expenses; provision of special education; furnishing free textbooks and instructional aids and school supplies; establishing, equipping, maintaining, and operating supervised playgrounds under the control of the Board, school extracurricular activities, and stadia, social centers and summer swimming pool programs open to the public in connection with any public school; making an employer contribution to the Public School Teachers' Pension and Retirement Fund as required by Section 17-129 of the Illinois Pension Code, 40 ILCS 5/17-129; providing an agricultural science school, including site development and improvements, maintenance, repairs, and supplies; and student transportation expenses \$ 2,205,000,000

(b) For the purpose of paying tort judgments and settlements; paying costs of insurance, individual or joint self-insurance (including reserves thereon), including all operating and administrative costs and expenses directly associated therewith, claims services and risk management directly attributable to loss prevention and loss reduction, legal services directly attributable to the insurance, self-insurance or joint self-insurance program, and educational, inspectional and supervisory services directly relating to loss prevention and loss reduction; discharging obligations under Section 34-18.1 of the School Code, 105 ILCS 5/34-18.1; paying the cost of risk management programs; establishing reserves for executed losses for any liability or loss as provided in 745 ILCS 10/9-107; and protection against and reduction of liability or loss as described above under Federal or State statutory or common law, the Workers' Compensation Act, Workers' Occupational Disease Act, and the Unemployment Insurance Act \$ 110,000,000

Any reductions in extensions required by the Property Tax Extension Limitation Law shall be as directed by the Board as provided in the Controller's Certificate, including as it may be amended from time to time, as provided in Section 34-54.1 of the School Code, 105 ILCS 5/34-54.1, to be filed with the County Clerks of the Counties of Cook and DuPage.

All taxes levied by this Resolution are in addition to any taxes levied for any previous fiscal year or for any lease rentals for the Public Building Commission of Chicago or any Bonds of the Board.

Section 3. Certificate. It is certified that the Board requires the real estate taxes to be levied as provided in Section 2 of this Resolution upon all taxable property in the City of Chicago. The Controller is authorized and directed to file with the County Clerks of the Counties of Cook and DuPage a Controller's Certificate as required by Section 34-54.1 of the School Code, 105 ILCS 5/34-54.1, pertaining to the extension of real estate tax levies in calendar year 2014, substantially in the form as provided in Exhibit A which is attached hereto and made a part of this Resolution.

Section 4. Amendment to Certificate. The Controller's Certificate shall be amended as may be necessary in the opinion of the General Counsel to the Board to conform to subsequent changes in law or interpretation of the law.

Section 5. Effectiveness. This Resolution is effective and in full force immediately upon its adoption.

EXHIBIT A

CERTIFICATE OF THE CONTROLLER OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO SETTING FORTH SCHOOL TAXES TO BE EXTENDED FOR COLLECTION IN CALENDAR YEAR 2015

To the County Clerks of Cook and DuPage Counties, Illinois:

On October 22, 2014, the Board adopted a Resolution levying real estate taxes for the Board's 2015 Fiscal Year (the "2014-2015 School Tax Levy Resolution"). A copy, certified by the Secretary of the Board, of the 2014-2015 School Tax Levy Resolution is being filed with your office concurrently with this Certificate. (A copy of the 2014-2015 School Tax Levy Resolution is attached to this Certificate.)

Pursuant to Section 34-54.1 of the School Code, 105 ILCS 5/34-54.1, as authorized and directed by the Board, I, Larry Fraze, Controller of the Board, certify and direct as follows:

1. You are directed to extend for collection, upon the value of all taxable property within the City of Chicago (the "City"), the boundaries of which are coterminous with the boundaries of the school district governed by the Board, as equalized or assessed by the Illinois Department of Revenue for tax year 2014, the following taxes:

(a) The following amounts of taxes levied by the 2013-2014 School Tax Levy Resolution for the Board's 2014 Fiscal Year which are required to provide necessary revenue to defray expenditures, charges and liabilities incurred by the Board (but such amounts shall always be subject to the limiting provisions set forth below):

For educational purposes, including without limitation, in addition to general education purposes, including, as authorized before the adoption of Public Act 89-15, constructing, acquiring, leasing (other than from the PublicBuilding Commission of Chicago), operating, maintaining, improving, repairing, and renovating land, buildings, furnishings, and equipment for school houses and buildings, and related incidental expenses; provision of special education; furnishing free textbooks and instructional aids and school supplies; establishing, equipping, maintaining, and operating supervised playgrounds under the control of the Board, school extracurricular activities, and stadia, social centers and summer swimming pool programs open to the public in connection with any public school; making an employer contribution to the Public School Teachers' Pension and Retirement Fund as required by Section 17-129 of the Illinois Pension Code, 40 ILCS 5/17-129; providing an agricultural science school, including site development and improvements, maintenance, repairs, and supplies; and student transportation expenses \$ 194,595,040

(b) The following amounts of school taxes levied by the 2014-2015 School Tax Levy Resolution for the Board's 2015 Fiscal Year, which are required to provide necessary revenue to defray expenditures, charges and liabilities incurred by the Board (but such amounts shall always be subject to the limiting provisions set forth below):

For educational purposes, including without limitation, in addition to general education purposes, including, as authorized before the adoption of Public Act 89-15, constructing, acquiring, leasing (other than from the PublicBuilding Commission of Chicago), operating, maintaining, improving, repairing, and renovating land, buildings, furnishings, and equipment for school houses and buildings, and related incidental expenses; provision of special education; furnishing free textbooks and instructional aids and school supplies; establishing, equipping, maintaining, and operating supervised playgrounds under the control of the Board, school extracurricular activities, and stadia, social centers and summer swimming pool programs open to the public in connection with any public school; making an employer contribution to the Public School Teachers' Pension and Retirement Fund as required by Section 17-129 of the Illinois Pension Code, 40 ILCS 5/17-129; providing an agricultural science school, including site development and improvements, maintenance, repairs, and supplies; and student transportation expenses \$2,205,000,000

For the purpose of paying tort judgments and settlements; paying costs of insurance, individual or joint self-insurance (including reserves thereon), including all operating and administrative costs and expenses directly associated therewith, claims services and risk management directly attributable to loss prevention and loss reduction, legal services directly attributable to the insurance, self-insurance or joint self-insurance program, and educational, inspectional and supervisory services directly relating to loss prevention and loss reduction; discharging obligations under Section 34-18.1 of the School Code, 105 ILCS 5/34-18.1; paying the cost of risk management programs; establishing reserves for executed losses for any liability or loss as provided in 745 ILCS 10/9-107; and protection against and reduction of liability or loss as described above under Federal or State statutory or common law, the Workers' Compensation Act, Workers' Occupational Disease Act, and the Unemployment Insurance Act \$110,000,000

2. The aggregate amount of school real estate taxes which are to be extended for collection in calendar year 2015, as set forth in Section 1 of this Certificate, are as follows (but such amounts shall always be subject to the limiting provisions set forth below):

For Educational Purposes as described in Section 1
of this Certificate \$2,399,595,040

For Liability Protection Purposes as described in Section 1
of this Certificate \$ 110,000,000

October 22, 2014

3. The Board has previously enacted, and filed with you, its resolutions levying direct annual taxes to be extended for collection in calendar year 2015 for the purpose of providing revenue for the payment of rent provided for in various leases entered into between the Board and the Public Building Commission of Chicago. You are directed to extend these taxes for collection in calendar year 2015, as provided by those resolutions and by law, except to the extent that the Board files with you an abatement of any or all of those taxes.

4. The Board has previously enacted, and filed with you, its resolutions levying direct annual taxes to be extended for collection in calendar year 2015 for the purpose of paying principal and interest on the Unlimited Tax General Obligation Bonds (Dedicated Revenue) Series 1997A, 1999A, 1999B, 2000B, 2001B, 2002A, 2003C, 2004A, 2004G, 2005A, 2005B, 2006A, 2006B, 2007B, 2007C, 2007D, 2008A, 2008B, 2008C, 2009D, 2009EF, 2009G, 2010C, 2010D, 2010F, 2010G, 2011A, 2011C, 2011D, 2012A, 2012B, 2013A, 2013BC. You are directed to extend these taxes for collection in calendar year 2015, as provided by those resolutions and by law, except to the extent that the Board files with you an abatement of any or all of those taxes

5. Any reduction in extensions required by the Property Tax Extension Limitation Law shall be taken solely from the extension for Educational Purposes, except as subsequently directed by the Controller.

Dated : October 22, 2014.

Larry Fraze
CONTROLLER
BOARD OF EDUCATION OF
THE CITY OF CHICAGO

14-1022-RS2

**RESOLUTION AUTHORIZING THE ISSUANCE OF EDUCATIONAL PURPOSES
TAX ANTICIPATION NOTES OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO,
ILLINOIS, IN AN AGGREGATE PRINCIPAL AMOUNT
NOT TO EXCEED \$500,000,000**

WHEREAS, pursuant to the provisions of Article 34 of the School Code of the State of Illinois, as amended, (the "School Code") the City of Chicago, Illinois, constitutes one school district (the "School District"), which is a body politic and corporate by the name of Board of Education of the City of Chicago, which School District is governed by the Chicago Board of Education (the "Board"); and

WHEREAS, the 2014 tax levy of the Board for educational purposes (the "2014 Tax Levy") will be \$2,315,000,000, and such levy is anticipated to be filed in the manner provided by law with the County Clerk of the County of Cook and the County Clerk of the County of DuPage; and

WHEREAS, pursuant to Section 34-23 of the School Code, the Board is authorized to issue tax anticipation warrants against and in anticipation of taxes levied for the payment of expenditures for educational purposes; and

WHEREAS, pursuant to Section 34-23.5 of the School Code and in lieu of issuing the tax anticipation warrants authorized by Section 34-23 of the School Code, the Board is authorized to issue notes, bonds, or other obligations (and in connection with that issuance, establish lines of credit with one or more banks) in anticipation of the receipt of the taxes levied for educational purposes; and

WHEREAS, the Board may authorize the issuance of notes, bonds, or other obligations in an amount not to exceed 85% of the 2014 Tax Levy; and

WHEREAS, no such notes, bonds, or other obligations have been issued in anticipation of the receipt of the 2014 Tax Levy for such purposes; and

WHEREAS, the Board has not issued tax anticipation warrants pursuant to Section 34-23 of the School Code in anticipation of the receipt of the 2014 Tax Levy; and

WHEREAS, the Board has not established a working cash fund pursuant to Sections 34-30 through 34-36 of the School Code.

NOW, THEREFORE, Be It and It is Hereby Resolved by the Chicago Board of Education of the City of Chicago as follows:

1. *Incorporation of Preambles.* The Board hereby finds that all of the recitals contained in the preambles to this resolution are full, true and correct and does incorporate them into this resolution by this reference.

2. *Definitions.* For all purposes of this Resolution and in addition to the defined terms in the preambles to this Resolution, except as otherwise expressly provided or unless the context otherwise requires and in addition to the terms defined in the preambles hereto, the terms defined in this Section shall have the meanings set forth below, and shall include the plural as well as the singular.

"Designated Officials" shall mean the President and the Chief Financial Officer of the Board.

"Lending Agreement" means one or more agreements by and between the Board and one or more banks pursuant to which the banks will agree to establish one or more Lines of Credit.

"Line of Credit" shall mean any line of credit authorized under this Resolution and established with a bank for the benefit of the Board.

"Notes" shall mean the tax anticipation notes of the Board authorized to be issued under this Resolution.

"Tax Escrow Agreement" means the agreement by and among the Board, the trustee under each Trust Indenture and a bank, trust company or national banking association having trust powers and appointed by one of the Designated Officials to act as escrow agent under the Tax Escrow Agreement.

"Tax Receipts" means the tax revenue collected from the 2014 Tax Levy.

"Trust Indenture" means one or more agreements providing for the issuance of the Notes and for their repayment from property tax revenues, by and between the Board and a bank, trust company or national banking association having trust powers and appointed by one of the Designated Officials to act as trustee under the Trust Indenture.

3. *Determination to Authorize Borrowing and Lines of Credit.* It is necessary and in the best interests of the Board and the residents of the School District for the Board to enter into Lending Agreements with one or more banks for the provision of Lines of Credit for the Board and to evidence borrowings under such Lines of Credit by the issuance of one or more series of Notes. It is found and determined that the borrowing from time to time of moneys in anticipation of the Tax Receipts is necessary so that sufficient money will be in the treasury of the School District at all times to meet the ordinary and necessary expenses of the School District for educational purposes and that establishing lines of credit with banks and authorizing tax anticipation notes will provide the needed access to funds to meet such ordinary and necessary expenses. The Board is hereby authorized to issue tax anticipation notes in anticipation of the collection of the taxes levied by the 2014 tax levy for educational purposes in

an aggregate principal amount outstanding at any time of not to exceed \$500,000,000. Such Notes to be issued in accordance with the provisions of Section 34-23.5 of the School Code and the Local Government Debt Reform Act. It is hereby found and determined that no person holding an office of the Board, either by election or appointment, is in any manner interested, either directly or indirectly, in his own name or the name of any other person, association, trust or corporation, in the transactions contemplated by the Notes and the Lines of Credit.

4. *Authorization and Terms.* The Notes are hereby authorized to be issued and the Lines of Credit are hereby authorized to be established to defray the necessary expenses and liabilities of the School District incurred for educational purposes prior to the receipt of taxes levied for such purposes pursuant to the 2014 Tax Levy. The Notes shall be drawn against and in anticipation of the collection of the taxes levied for the year 2014 for educational purposes. The Notes shall be limited obligations of the Board payable solely from the Tax Receipts when collected.

Taxes comprising the 2014 Tax Levy are hereby assigned as security for the payment of the Notes and such taxes, when collected, shall be set apart and held for the payment of the Notes.

The Notes shall be dated as of the date of delivery thereof. All moneys borrowed pursuant to this Resolution shall be repaid exclusively from the Tax Receipts derived from the 2014 Tax Levy for educational purposes, and such payment shall be made, within 60 days after the Tax Receipts have been received by the Board provided, however, either of the Designated Officials are hereby authorized to determine, at their discretion, to retire the borrowing by the making of partial payments or payment in full. The Notes shall bear interest at a rate or rates, fixed or variable, as determined by either of the Designated Officials, not to exceed the maximum rate authorized by the Bond Authorization Act, from the date of issuance until paid.

5. *Execution.* The Notes shall be executed on behalf of the Board with the manual or duly authorized facsimile signatures of the President and Secretary of the Board, all as such officers shall determine. In case any officer whose signature shall appear on the Notes shall cease to be such officer before the delivery of such Notes, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

6. *Tax Escrow Direction.* Each of the Designated Officials is hereby authorized, pursuant to authority contained in Section 20-90 of the Property Tax Code of the State of Illinois, as amended, to execute a written direction to the County Collectors of The Counties of Cook and DuPage, Illinois (the "County Collectors"), (i) to deposit the collections of the 2014 Tax Levy for educational purposes as and when extended for collection directly with such escrow agent designated pursuant to **Section 7** of this Resolution in order to secure the payment of the principal of and interest on the Notes. The Designated Officials are authorized to file a certified copy of this Resolution with each of the County Collectors.

7. *Approval of Documents.* The form of Tax Escrow Agreement attached to this Resolution as *Exhibit A* is approved and, on behalf of the Board, each of the Designated Officials is authorized to enter into a Tax Escrow Agreement in substantially such form.

The form of Lending Agreement attached to this Resolution as *Exhibit B* is approved and, on behalf of the Board, each of the Designated Officials is authorized to enter into one or more Lending Agreements in substantially such form.

The form of Trust Indenture attached to this Resolution as *Exhibit C* is approved and, on behalf of the Board, each of the Designated Officials is authorized to enter into one or more Trust Indentures.

8. *Application of Proceeds and Other Moneys.* Proceeds of sale of the Notes are appropriated for the educational expenses of the Board and for the payment of costs of issuance of the Notes and related fees. A sum not to exceed \$10,788,000 has been appropriated from general funds of the Board as a reserve for the payment of other costs, expenses and charges related to the payment and security of the Notes and the establishment and use of the Lines of Credit.

9. *Further Acts.* Each of the Designated Officials, officials or officers of the Board are hereby authorized to execute and deliver the documents approved by **Section 7** of this Resolution, and such other documents and agreements and perform such other acts as may be necessary or desirable in connection with the Notes and the Lines of Credit, including, but not limited to, provisions relating to increased costs and indemnification, and the exercise following the delivery date of the Notes of any power or authority delegated to such official under this Resolution with respect to the Notes and Lines of Credit, but subject to any limitations on or restrictions of such power or authority as herein set forth.

All actions of the officials or officers of the Board that are in conformity with the purposes and intent of this Resolution are hereby in all respects ratified, approved, and confirmed.

10. *Severability.* The provisions of this Resolution are hereby declared to be severable; and if any section, phrase, or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, or provisions.

11. *Repealer and Effective Date.* All Resolutions or parts of resolution in conflict herewith are, to the extent of such conflict, hereby repealed. This Resolution is effective immediately upon its adoption.

October 22, 2014

EXHIBIT A
Form of Tax Escrow Agreement

A-1

FORM OF 2014 TAX ESCROW AGREEMENT

This 2014 Tax Escrow Agreement, dated as of _____, 2014, by and among the Board of Education of the City of Chicago (the "Board"); the _____, as trustee under the 2014A Indenture (herein defined), _____, as trustee under the 2014B Indenture (herein defined), and _____, as escrow agent (the "Escrow Agent"), in consideration of the mutual promises and agreements herein set forth:

W I T N E S S E T H:

ARTICLE I

Definitions

The following words and terms used in this Agreement shall have the following meanings unless the context or use indicates another or different meaning:

"*Act*" means Section 34-23.5 of the School Code, 105 Illinois Compiled Statutes 5/34-23.5 and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350.

"*Additional Notes*" means any Series of Notes other than the 2014A Notes and the 2014B Notes.

"*Agreement*" means this 2014 Tax Escrow Agreement.

"*Allocable Percentage*" means, on any Business Day and with respect to a Series of Notes, the percentage determined when the numerator of the fraction is the principal amount of outstanding Notes of such Series and the denominator of the fraction is the principal amount of all outstanding Notes.

“Board” means the Board of Education of the City of Chicago governed by the Chicago Board of Education.

“Business Day” means any day other than a Saturday, a Sunday or any day on which banking institutions located in the city in which the designated office of the Escrow Agent or the designated office of the 2014A Trustee or of the 2014B Trustee is located.

“Collector” means the County Treasurers acting as the County Collectors of The Counties of Cook and DuPage, Illinois.

“District” means the school district administered by the Board.

“Escrow Account” means the special account created by Section 2.01 hereof for the purpose of holding and disbursing the Tax Receipts.

“Escrow Agent” means _____, Chicago, Illinois, as escrow agent, and any successor thereto as Escrow Agent.

“Note Maturity Date” means (i) October 1, 2015, if the Tax Penalty Date is on or prior to August 3, 2015 or (ii) the 60th day following the Tax Penalty Date if the Tax Penalty Date is later than August 3, 2015 but earlier than November 2, 2015 and (iii) December 31, 2015, if the Tax Penalty Date is on or later than November 2, 2015.

“Note Resolution” means the Resolution _____ adopted by the Board on October 22, 2014, authorizing the issuance of the Notes and the execution of this Agreement.

“Notes” means any one or more of the tax anticipation notes issued pursuant to the Act and the Note Resolution, including the 2014A Notes, the 2014B Notes and any Additional Notes.

“Permitted Investments” means any investment authorized by the laws of the State for the funds of the Board and permitted under the Board’s investment policy.

“Pledged Tax Receipts” means all of the money derived from the collection of the Pledged Taxes.

“Pledged Taxes” means the annual tax levied by the Board upon all taxable property located in the District for educational purposes for the year 2014.

“Series” means the 2014A Notes, the 2014B Notes and any Additional Notes so designated by the Board.

“State” means the State of Illinois.

“Tax Penalty Date” means the last day on which the second installment of the Pledged Taxes may be paid without penalty with respect to taxable property located in the County of Cook, Illinois.

“2014A Indenture” means the Trust Indenture securing the 2014A Notes dated as of _____, 2014 by and between the Board and the 2014A Trustee.

“2014A Notes” means the Educational Purposes Tax Anticipation Notes, Series 2014A, of the Board issued pursuant to the Act, the Note Resolution and the 2014A Indenture.

“2014A Trustee” means _____ and any successor trustee appointed pursuant to the 2014A Indenture.

“2014B Indenture” means the Trust Indenture securing the 2014B Notes by and between the Board and the 2014B Trustee.

“2014B Notes” means the Educational Purposes Tax Anticipation Notes, Series 2014B, of the Board issued pursuant to the Act, the Note Resolution and the 2014B Indenture.

“2014B Trustee” means _____ and any successor trustee appointed pursuant to the 2014B Indenture.

ARTICLE II

Creation of the Escrow Account

2.01. Establishment of the Escrow Account. The Escrow Account is hereby established with the Escrow Agent pursuant to the Note Resolution and this Agreement, separate and segregated from all other funds and accounts of the Board.

2.02. Pledged Tax Receipts. Pursuant to the Note Resolution and for the purpose of providing the funds required to pay the principal of and interest on the Notes when and as the same falls due, all of the Pledged Tax Receipts shall be paid to the Escrow Agent for deposit in the Escrow Account for the equal and ratable benefit of the holders of the Notes.

Pursuant to Section 13 of the Local Government Debt Reform Act, the Pledged Tax Receipts deposited or to be deposited into the Escrow Account, are pledged as security for the payment of the principal of and interest on the Notes. In accordance with Section 13 of the Local Government Debt Reform Act such Pledged Tax Receipts and the moneys held in the Escrow Account shall immediately be subject to the lien of such pledge without any physical delivery or further act and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Board irrespective of whether such parties have notice thereof.

ARTICLE III

Operation of the Escrow Account

3.01. Amounts Held in the Escrow Account. Moneys deposited in the Escrow Account shall be used solely and only for the purpose of paying principal and interest on the Notes and shall not be used for any other purpose so long as the Notes remain outstanding and unpaid. The holders of the Notes shall have a first and prior lien upon all present and future Pledged Tax Receipts when deposited in the Escrow Account until the principal and interest on the Notes are paid in full.

3.02. Allocation of Moneys. On each Business Day, the Escrow Agent shall allocate all of the moneys in the Escrow Account to the payment of each Series of Notes then outstanding and shall pay to the trustee of each Series its Allocable Percentage of all the money held in the Escrow Account. The Board shall provide to the Escrow Agent, the 2014A Trustee and the 2014B Trustee and any trustee for a Series of Additional Notes information concerning the outstanding principal amount of each Series of the Notes on each date of issuance of any Note and each date of payment or defeasance of any Note.

3.03. Investment of Moneys in the Escrow Account. Pending the allocation of moneys in the Escrow Account as provided in Section 3.02 hereof, said moneys may be invested by the Escrow Agent in Permitted Investments only in accordance with the written directions of the Chief Financial Officer of the Board or the Treasurer of the Board.

3.04. Monthly Reports. The Escrow Agent will submit to the Treasurer of the Board on or before the 10th day of each month, commencing in the month of _____, 20____, a statement, as of the last day of the prior month, itemizing all moneys received by it and all payments made by it under the provisions of this Agreement during the one month period ending

on such second day, and also listing the Permitted Investments on deposit therewith on the date of said report, including all moneys held by it received as interest on or profit from the Permitted Investments.

3.05. Daily Reports on Tax Receipts and Distributions. On each Business Day that Pledged Tax Receipts are received by the Escrow Agent, the Escrow Agent shall provide to the Treasurer of the Board a report detailing the amount of Pledged Taxes received by the Escrow Agent. On each Business Day that Pledged Tax Receipts are required to be allocated and distributed pursuant to Section 3.02, the Escrow Agent shall provide to the Treasurer of the Board a report detailing the amounts allocated and distributed to each trustee for each Series of Notes then outstanding.

3.06. Payment of Fees. The fees of the Escrow Agent shall be paid by the Board.

ARTICLE IV

Covenants

The Board and the Escrow Agent covenant and agree as follows:

The Escrow Agent shall have no responsibility or liability whatsoever for (a) any of the recitals herein (except those relating to its own organization); (b) the performance of or compliance with any covenant, condition, term or provision of the Notes, the Note Resolution, the 2014A Indenture or the 2014B Indenture; and (c) any undertaking or statement of the Board hereunder or under the Notes, the Note Resolution, the 2014A Indenture or the 2014B Indenture. The Escrow Agent is not a trustee for the Noteholders and has no obligation in its capacity as Escrow Agent to enforce the rights of the holders of the Notes under this Agreement.

The Escrow Agent has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own gross negligence or

willful misconduct, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be a defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall it be deemed to have failed to take any such action, unless and until it shall have been *indemnified by the Board to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees* (provided notice is given to the Board of such costs and outlays within a reasonable time after they are incurred), and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

The Escrow Agent, in its separate capacity as a banking institution, may in good faith buy, sell or hold and deal in any of the Notes and may also, at the direction of the Chief Financial Officer of the Board or the Treasurer of the Board as provided in Section 3.03 hereof, invest for the Escrow Account in certificates of deposit issued by itself if such qualify as Permitted Investments and in other Permitted Investments purchased from itself.

All payments to be made by, and all acts, and things required to be done by, the Escrow Agent under the terms and provisions of this Agreement, shall be made and done by the Escrow Agent without any further direction or authority of the Board except as expressly provided herein.

The Escrow Agent shall not be personally liable for any act taken or omitted hereunder if taken or omitted by it in good faith and in the exercise of its own best judgment. The Escrow Agent shall also be fully protected in relying upon any written notice, demand, certificate or document which it in good faith believes to be genuine.

The Escrow Agent shall not be responsible for the sufficiency or accuracy of the form, execution, validity or genuineness of any securities now or hereafter deposited hereunder, or of any endorsement thereon, or for any lack of endorsement thereon, or for any description therein, nor shall it be responsible or liable in any respect on account of the identity, authority or rights of the persons executing or delivering or purporting to execute or deliver any such document, security or endorsement or this Escrow Agreement. The Escrow Agent shall not be liable for any depreciation or change in the value of such investments.

If the Escrow Agent reasonably believes it to be necessary to consult with counsel concerning any of its duties in connection with this Agreement, or in case it becomes involved in litigation on account of being Escrow Agent hereunder or on account of having received property subject hereto, then in either case, its costs, expenses, and reasonable attorneys' fees shall be paid by the Board, and upon timely notice thereof having been given.

This Agreement shall be construed, enforced, and administered in accordance with the laws of the State, and shall inure to, and be binding upon, the respective successors and assigns of the parties hereto.

ARTICLE V

Resignation or Removal of the Escrow Agent

The Escrow Agent may at any time resign as escrow agent under this Agreement by giving thirty days written notice to the Board, and such resignation shall take effect upon the appointment of a successor Escrow Agent by the Board. The Board may select as successor Escrow Agent any financial institution located within the State which is authorized to maintain trust accounts under Federal or State law.

If at any time the Escrow Agent is no longer legally authorized or qualified (by reason of any Federal or State law or any other law or regulation) to act as escrow agent hereunder, then the Board may remove the Escrow Agent and may select as successor Escrow Agent any financial institution which is authorized to maintain trust accounts under Federal or State law.

ARTICLE VI

Alteration and Termination of Agreement

The Board and the Escrow Agent may change and alter the terms of this Agreement for the following purposes:

- (A) to correct errors, resolve ambiguities or insert inadvertently omitted material; or
- (B) to alter the procedures of Article II of this Agreement and definitions pertaining thereto necessitated by changes in State law and procedures thereunder with respect to the collection and distribution of taxes;

provided, however, that such changes and alterations shall not materially affect the protections provided by this Agreement to the holders of the Notes.

This Agreement shall be binding on any successor to the Board during the term of this Agreement.

Upon the retirement or defeasance of all of the Notes and the filing with the Escrow Agent of a certificate of the Board signed by its Chief Financial Officer that no Notes will be issued or outstanding from and after the date specified in such certificate, the Escrow Agent, as of the date so specified in such certificate, will transfer any balance remaining in the Escrow Account to the Board, and thereupon this Agreement shall terminate.

October 22, 2014

IN WITNESS WHEREOF, the Board of Education of the City of Chicago has caused this Agreement to be executed by the President of the Board and attested by the Secretary of the Board and _____, in its capacities as hereinabove described, has caused this Agreement to be signed in its corporate name by one of its officers and to be attested by one of its officers, all as of the _____ day of _____, 2014.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By _____
President, Board of Education

Attest:

Secretary, Board of Education

By _____
Its _____

Attest:

Its _____

EXHIBIT B
Form of Lending Agreement

B-1

October 22, 2014

FORM OF CREDIT AGREEMENT

DATED AS OF
[REDACTED], 2014

BETWEEN

BOARD OF EDUCATION OF THE CITY OF CHICAGO

AND

BMO HARRIS BANK N.A.

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Exhibit A — Revolving Note
Exhibit B — Compliance Certificate

CREDIT AGREEMENT

This Credit Agreement is entered into as of [____], 2014, by and between the BOARD OF EDUCATION OF THE CITY OF CHICAGO, a school district duly organized and existing under the laws of the State of Illinois (the "Board") and BMO HARRIS BANK N.A., a national banking association (the "Bank"). All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in Section 5.1 hereof.

PRELIMINARY STATEMENT

The Board has requested, and the Bank has agreed to extend, certain credit facilities on the terms and conditions of this Agreement.

Now, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. THE CREDIT.

Section 1.1. Revolving Credit. Subject to the terms and conditions hereof, the Bank agrees to extend a revolving credit (the "Revolving Credit") to the Board which may be availed of by the Board from time to time during the period from and including the date hereof to but not including the Termination Date, at which time the commitment of the Bank to extend credit under the Revolving Credit shall expire. The Revolving Credit may be utilized by the Board prior to the Revolving Credit Termination Date in the form of loans (individually a "Loan" and collectively the "Loans"), provided that the aggregate principal amount of Loans outstanding at any one time shall not exceed \$120,000,000 (the "Commitment", as such amount may be reduced pursuant to the terms hereof). The Board may elect that each Loan be either a Base Rate Loan or LIBOR Rate Loan. Each Loan shall be in a minimum amount of \$[____]. The Loans shall be made against and evidenced by a single promissory note of the Board in the form (with appropriate insertions) attached to the Indenture as Exhibit A (the "Note"). The Note shall be dated the date of issuance thereof and be expressed to bear interest as set forth in Section 2 hereof. The Note, and all Loans evidenced thereby, shall mature and become due and payable in full on the Termination Date. Without regard to the principal amount of the Note stated on its face, the actual principal amount at any time outstanding and owing by the Board on account of the Note shall be the sum of all Loans made hereunder less all payments of principal actually received by the Bank. During the period from and including the date hereof to but not including the Termination Date, the Board may use the Commitment by borrowing, repaying, and reborrowing Loans in whole or in part, all in accordance with the terms and conditions of this Agreement.

Section 1.2. Manner and Disbursement of Loans. The Board shall give written or telephonic notice to the Bank (which notice shall be irrevocable once given and, if given by telephone, shall be promptly confirmed in writing) by no later than 11:00 a.m. (Chicago time) on the date the Board requests the Bank to make a Loan hereunder. Each such notice shall specify

the date of the Loan requested (which must be a Business Day), the amount of such Loan, and whether such Loan is to be a Tax-Exempt Base Rate Loan, a Taxable Base Rate Loan, a Tax-Exempt LIBOR Rate Loan or a Taxable LIBOR Rate Loan. Thereafter, subject to the terms and conditions hereof, the Board may from time to time elect to change the type of interest rate borne by each Loan, or a portion thereof, on any Business Day. The Board agrees that the Bank may rely upon any written or telephonic notice given by any person the Bank in good faith believes is an Authorized Representative of the Board without the necessity of independent investigation and, in the event any telephonic notice conflicts with the written confirmation, such telephonic notice shall govern if the Bank has acted in reliance thereon. Subject to the provisions of Section 9 hereof, the proceeds of each Loan shall be made available to the Board at the principal office of the Bank in Chicago, Illinois, in immediately available funds, in accordance with the terms of the written disbursement instructions of the Board.

Section 1.3. Maximum Principal Amount. The Board agrees that the maximum principal amount at any one time outstanding hereunder and under any other note, instrument or agreement secured by the Pledged Taxes shall not exceed seventy five percent (75%) of the uncollected amount of the Pledged Taxes not otherwise dedicated to the payment of the Board's outstanding indebtedness or pension obligations (the "*Maximum Principal Amount*").

Section 1.4. Pro Rata Basis. The Board shall request Loans hereunder on a pro rata basis with loans requested pursuant to other Bank Agreements. Repayment of the Loans shall be made on a pro rata basis with respect to this Agreement and the other Bank Agreements.

SECTION 2. INTEREST.

Section 2.1. Base Rate Loans. The outstanding principal balance of each Tax-Exempt Base Rate Loan shall bear interest (which the Board hereby promises to pay) at the rate per annum equal to the product of .74% times the Base Rate as in effect from time to time, plus the Applicable Margin for Tax-Exempt Base Rate Loans as in effect from time to time from the date such Loan is advanced or created by conversion from a LIBOR Rate Loan, until maturity (whether by acceleration or otherwise). Any change in the interest rate on the Base Rate Loans resulting from a change in the Base Rate shall be effective on the date of the relevant change in the Base Rate. Notwithstanding the foregoing, if the Board is unable to deliver the opinion described in Section 9.1(e) hereof with respect to any Base Rate Loan requested hereunder, such Loan (a "Taxable Base Rate Loan") shall bear interest at the Base Rate plus the Applicable Margin for Taxable Base Rate Loans. The interest rate payable hereunder shall be subject, however, to the limitation that such interest rate shall never be paid in excess of the Statutory Maximum Rate.

Section 2.2. LIBOR Rate Loans. The outstanding principal balance of each Tax-Exempt LIBOR Rate Loan shall bear interest (which the Board hereby promises to pay) at the rate per annum equal to the product of .74% times the LIBOR Rate as in effect from time to time, plus the Applicable Margin for Tax-Exempt LIBOR Loans. The LIBOR Rate shall be reset each Business Day (herein, a "*Change Date*") and remain in effect until the next Change Date. For purposes hereof, the term "*LIBOR Rate*" means the one-month London Interbank Offered Rate (LIBOR) as reported on Bloomberg Financial Market's terminal screen entitled "*Official ICE*

LIBOR Fixings" as reported on the relevant Change Date (or, if such Change Date is not a Business Day, on the immediately prior Business Day), unless such rate is no longer available or published, in which case such rate shall be at a comparable index rate selected by the Bank with notice to the Board. The Bank shall determine the interest rate applicable to the Loans based on the foregoing, and its determination thereof shall be conclusive and binding except in the case of manifest error. The interest rate payable hereunder shall be subject, however, to the limitation that such interest rate shall never be paid at a rate in excess of the Statutory Maximum Rate. Upon the occurrence of an Event of Default, all Loans shall be converted to Base Rate Loans and no LIBOR Rate Loans shall be advanced thereafter. Notwithstanding the foregoing, if the Board is unable to deliver an opinion described in Section 9.1(e) hereof with respect to any LIBOR Rate Loan, such Loan (a "Taxable LIBOR Rate Loan") shall bear interest at the LIBOR Rate plus the Applicable Margin for Taxable LIBOR Rate Loans.

Section 2.3. Manner of Rate Selection. The Board shall notify the Bank by 11:00 a.m. (Chicago time) at least 1 Business Day prior to the date upon which the Borrower requests that any LIBOR Rate Loan be converted into a Base Rate Loan or a Base Rate Loan be converted to a LIBOR Rate Loan. All requests for the conversion of Loans under this Agreement shall be irrevocable. Such requests may be written or oral and the Bank is hereby authorized to honor telephonic requests for conversions received by it from any person the Bank in good faith believes to be an Authorized Representative of the Board without the necessity of independent investigation, the Board hereby indemnifying the Bank from any liability or loss ensuing from so acting.

Section 2.4. Interest Payment. Interest on the Loans shall be payable in arrears on each Interest Payment Date and all outstanding interest shall be paid in full on the Termination Date. Interest after maturity shall be due and payable upon demand. Interest on the LIBOR Rate Loans shall be computed on the basis of a year of 360 days for the actual number of days elapsed.

Section 2.5. Inability to Ascertain or Inadequacy of LIBOR Rate. If the Bank determines that deposits in U.S. Dollars (in the applicable amounts) are not being offered to it in the interbank eurodollar market, or that by reason of circumstances affecting the interbank eurodollar market adequate and reasonable means do not exist for ascertaining the applicable LIBOR Rate, or (i) the LIBOR Rate will not adequately and fairly reflect the cost to such Bank of funding LIBOR Rate Loans or (ii) that the making or funding of LIBOR Rate Loans becomes impracticable, then the Bank shall forthwith give notice thereof to the Board, whereupon until the Bank notifies the Board, that the circumstances giving rise to such suspension no longer exist, the obligations of the Bank to make LIBOR Rate Loans shall be suspended and all outstanding LIBOR Rate Loans shall be converted to Base Rate Loans.

Section 2.6. Maximum Rate. (i) If the amount of interest payable on the Note or with respect to any other Obligation for any period in accordance with the terms hereof exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Statutory Maximum Rate, then interest for such period shall be payable in an amount calculated at the Statutory Maximum Rate.

(ii) Any interest that would have been due and payable for any period but for the operation of the immediately preceding subclause (i) shall accrue and be payable as provided in this subclause (ii) and shall, less interest actually paid to the Bank for such period, constitute the *"Excess Amount."* If there is any accrued and unpaid Excess Amount as of any date, then, to the extent permitted by law, the Board will pay to the Bank, at the time interest is paid, an additional amount equal to the difference between interest on the Note computed at the Maximum Rate and the amount of interest actually due for such period, until payment to the Bank of the Excess Amount.

Section 2.7. Default Rate. Subject to Section 2.6 hereof, during the existence of an Event of Default, all Loans shall bear interest at the Default Rate.

Section 2.8. Determination of Taxability. (a) From and after the Taxable Date, the Loans shall bear interest at the Taxable Rate.

(b) (i) In the event a Determination of Taxability occurs, the Board hereby agrees to pay to the Bank (and if applicable, each participant) on demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to the Bank (and if applicable, each participant) on the Loans during the period for which interest on the Loans is included in the gross income of the Bank (and if applicable, each participant) if the Loans had borne interest at the Taxable Rate, beginning on the Taxable Date (the *"Taxable Period"*), and (B) the amount of interest actually paid to the Bank (and if applicable, each participant) during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by the Bank (and if applicable, each participant) as a result of interest on the Loans becoming included in the gross income of the Bank (and if applicable, each participant), together with any and all reasonable attorneys' fees, court costs, or other out-of-pocket costs incurred by the Bank (and if applicable, each participant) in connection therewith.

(ii) Subject to the provisions of clause (iii) below, the Bank (and if applicable, each participant) shall afford the Board the opportunity, at the Board's sole cost and expense, to contest (1) the validity of any amendment to the Code which causes the interest on the Loans to be included in the gross income of the Bank (and if applicable, each participant) or (2) any challenge to the validity of the tax exemption with respect to the interest on the Loans, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals); and

(iii) As a condition precedent to the exercise by the Board of its right to contest set forth in clause (ii) above, the Board shall, on demand, immediately reimburse the Bank for any and all expenses (including reasonable attorneys' fees for services that may be required or desirable, as determined by the Bank in its sole discretion) that may be incurred by the Bank in connection with any such contest, and shall, on demand, immediately reimburse the Bank for any and all penalties or other charges payable by the Bank (and if applicable, each participant) for failure to include such interest in its gross income.

SECTION 3. FEES, PREPAYMENTS, TERMINATIONS, APPLICATIONS, AND CAPITAL ADEQUACY.

Section 3.1. Commitment Fee. The Board hereby agrees to pay or cause to be paid to the Bank in arrears on _____, 2014, for the period commencing on the Closing Date, and ending on _____, 2014, and quarterly in arrears on the first Business Day of each _____, _____, _____ and _____ occurring thereafter to the Termination Date, and on the Termination Date, for each day during the immediately preceding quarterly fee period, a non-refundable commitment fee (the "Commitment Fee") in an amount equal to the product of the average daily unused portion of the Commitment and the rate per annum equal to 0.15%. Such Commitment Fee shall be payable in immediately available funds and computed on the basis of a year of 360 and the actual number of days elapsed.

Section 3.2. Voluntary Prepayments. The Board shall have the privilege of prepaying without premium or penalty and in whole or in part (but if in part, then in an amount not less than \$100,000) the Note at any time upon notice to the Bank prior to 11:00 a.m. (Chicago time) on the date fixed for prepayment. If such prepayment prepays the Note in full and is accompanied by the termination of the Commitment in whole, such prepayment shall be made together with accrued interest thereon to the date of prepayment.

Section 3.3. Terminations. The Board shall have the right, at any time and from time to time, upon 3 Business Days prior notice to the Bank, to terminate without premium or penalty and in whole or in part (but if in part, then in an amount not less than \$500,000) the Commitment, provided that the Commitment may not be reduced to an amount less than the aggregate principal amount of the Loans then outstanding. Any termination of the Commitment pursuant to this Section may not be reinstated.

Section 3.4. Place and Application of Payments. All payments of principal, interest, fees, and all other Obligations payable under the Loan Documents shall be made to the Bank at its office at 111 West Monroe Street, Chicago, Illinois (or at such other place as the Bank may specify) no later than 1:00 p.m. (Chicago time) on the date any such payment is due and payable. Payments received by the Bank after 1:00 p.m. (Chicago time) shall be deemed received as of the opening of business on the next Business Day. All such payments shall be made in lawful money of the United States of America, in immediately available funds at the place of payment, without set-off or counterclaim and without reduction for, and free from, any and all present or future taxes, levies, imposts, duties, fees, charges, deductions, withholdings, restrictions, and conditions of any nature imposed by any government or any political subdivision or taxing authority thereof (but excluding any taxes imposed on or measured by the net income of the Bank).

Section 3.5. Notations. The amount and date of each Loan and the amount and date of each payment of principal and interest thereon shall be recorded by the Bank on its books and records or, at its option, recorded on a schedule to the Note, and the amount of principal and interest shown on such books and records or such schedule as owing on the Note from time to time shall be *prima facie* evidence, absent manifest error, in any court or other proceeding brought to enforce the Note of the principal amount remaining unpaid thereon and the interest applicable thereto; *provided* that the failure of the Bank to record any of the foregoing shall not

limit or otherwise affect the obligation of the Board to repay the principal amount owing on the Note together with accrued interest thereon.

Section 3.6. Increased Payments. (a) *Increased Costs.* (i) If, on or after the Closing Date, the adoption of any law or any governmental or quasi-governmental rule, regulation, policy, guideline or directive (whether or not having the force of law), or any change in the interpretation, promulgation, implementation or administration thereof by any governmental or quasi-governmental authority, central bank or comparable agency charged with the interpretation or administration thereof including, notwithstanding the foregoing, all requests, rules, guidelines or directives in connection with Dodd-Frank Wall Street Reform and Consumer Protection Act, or promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) pursuant to Basel III or any successor Basel accord regardless of the date enacted, adopted or issued, or compliance by the Bank or any participant with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency:

(A) subjects the Bank or any participant to any Taxes, or changes the basis of taxation of payments (other than with respect to Excluded Taxes) to the Bank or any other participant hereunder or with respect to the Bonds, or

(B) imposes or increases or deems applicable any reserve, liquidity ratio, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by the Bank or any other participant, or

(C) imposes any other condition the result of which is to increase the cost to the Bank or any participant with respect to this Agreement, the Note or its making, maintenance or funding of the Loans or any security therefor, or reduces any amount receivable by the Bank or any other participant with respect to this Agreement, the Bonds, or the making, maintenance or funding of any loan, or requires any Bank to make any payment calculated by reference to any amount received with respect to this Agreement, the Note, or the making, maintenance or funding of any loan, by an amount deemed material by such Bank or other participant as the case may be,

and the result of any of the foregoing is to increase the cost to such Bank or any participant with respect to this Agreement, the Note, making the Loans or of participating in the same, or to reduce the return received by such Bank or participant, as the case may be, in connection with the same, then, to the extent permitted by law, within ninety (90) days of demand by such Bank or participant, as the case may be, the Board shall pay such Bank or participant such additional amount or amounts as will compensate such Bank or participant for such increased cost or reduction in amount received.

(ii) If a Bank or participant determines the amount of capital required or expected to be maintained by such Bank or participant or any corporation controlling such Bank or participant is increased as a result of a Change (as hereinafter defined), then, within ninety (90) days of demand by such Bank or participant, the Board shall, to the extent permitted by law, pay such

Bank or participant the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which such Bank or participant reasonably determines is attributable to this Agreement or the Note, as the case may be, hereunder (after taking into account such Bank or participant's policies as to capital adequacy). "Change" means (i) any change after the date of this Agreement in the Risk-Based Capital Guidelines or (ii) any adoption of or change in any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) or in the interpretation, promulgation, implementation or administration thereof after the date of this Agreement which affects the amount of capital required or expected to be maintained by any Bank or participant or any corporation controlling any such Bank or participant. Notwithstanding the foregoing, for purposes of this Agreement, all requests, rules, guidelines or directives in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act shall be deemed to be a Change regardless of the date enacted, adopted or issued and all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) pursuant to Basel III or any successor Basel accord or the United States financial regulatory authorities shall be deemed to be a Change regardless of the date adopted, issued, promulgated or implemented.

(iii) In connection with any costs imposed upon the Board by the Bank or participant pursuant to this Section 3.6, the Bank or participant shall (A) promptly notify the Board of such costs and (B) provide the Board with a certificate as to such increased cost, increased capital or reduction in return incurred by the Bank or participant as a result of any event mentioned in clause (i) or (ii) of this Section 3.6 setting forth, in reasonable detail, the basis for such calculation and the amount of such calculation submitted by the Bank or participant to the Board which calculation shall be conclusive (absent manifest error) as to the amount thereof. In making the determinations contemplated by the above referenced certificate, the Bank or participant may make such reasonable estimates, assumptions, allocations and the like that the Bank or participant in good faith determines to be appropriate; *provided* that the Board shall not be required to compensate the Bank or any participant pursuant to this Section for any increased costs incurred or reductions suffered more than one hundred eighty (180) days prior to the date that the Bank or any such participant, as the case may be, notifies the Board of the Change giving rise to such increased costs or reductions, and of the Bank's or any such Bondholder's intention to claim compensation therefor (except that if the Change giving rise to such increased costs or reductions is retroactive, then the one hundred eighty (180) day period referred to above shall be extended to include the period of retroactive effect thereof). No participant shall have the right to recover amounts pursuant to this Section 3.6 in an amount greater than BMO Harris Bank N.A. would have been entitled to recover hereunder.

(b) *Taxes.* If any payments to the Bank under this Agreement are made from outside the United States, the Board will not deduct any foreign taxes from any payments it makes to the Bank. If any such taxes are imposed on any payments made by the Board (including payments under this paragraph), the Board will pay the taxes and will also pay to the Bank, at the time interest is paid, any additional amount which the Bank specifies as necessary to preserve the after-tax yield the Bank would have received if such taxes had not been imposed. The Board

will confirm that it has paid the taxes by giving the Bank official tax receipts (or notarized copies) within thirty (30) days after the due date.

SECTION 4. COLLATERAL AND TAX INTERCEPT.

Section 4.1. Collateral. The Obligations constituting principal of and interest on the Note and any fees payable pursuant to Section 3.1 hereof shall be secured by a pledge of the Pledged Taxes and the funds on deposit in the Escrow Account and the Debt Service Fund, which shall also secure such obligations under other Bank Agreements on a pro rata basis.

Section 4.2. Tax Intercept. The Board has directed the County Collector to deposit all collections of the Pledged Taxes directly with the Escrow Agent for deposit into the Escrow Account. The proceeds of such account shall be disbursed in accordance with the terms of the Escrow Agreement.

SECTION 5. DEFINITIONS; INTERPRETATION.

Section 5.1. Definitions. The following terms when used herein shall have the following meanings:

"Affiliate" means any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, another Person. A Person shall be deemed to control another Person for purposes of this definition if such Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the other Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

"Agreement" means this Credit Agreement, as the same may be amended, modified, or restated from time to time in accordance with the terms hereof.

"Applicable Margin" means, the LIBOR Applicable Margin or the Base Rate Applicable Margin, as applicable, subject to increases, on a cumulative basis, as set forth in the following table based on the Board's Ratings. If the Board's Ratings are then in effect (i) from any two of Moody's, S&P or Fitch, then the Applicable Margin shall correspond to the lower Rating as set forth in the following table and (ii) from all of Moody's, S&P and Fitch, then the Applicable Margin shall correspond to the lower of the two highest ratings as set forth in the following table. References in this definition are to rating categories as presently determined by the Rating Agencies, and in the event of the adoption of any new or changed rating system or the adoption of a "global" rating scale by any such Rating Agency, the rating categories in the following table shall be adjusted accordingly to a new rating which most closely approximates the rating scale set forth in the following table:

<u>Moody's Rating</u>	<u>S&P Rating</u>	<u>Fitch Rating</u>	<u>Increase in Applicable Margin</u>
Baa1	BBB+	BBB+	0.10%
Baa2	BBB	BBB	0.10%
Baa3	BBB-	BBB-	0.10%
Ba1 or below	BB+ or below	BB+ or below	Default Rate

Any change in the Applicable Margin shall be effective from and after the date on which any rating action occurs and shall be on a cumulative basis in addition to prior increases.

"Authorized Representative" means those persons shown on the list of officers provided by the Board pursuant to Section 9.2 hereof, or on any update of any such list provided by the Board to the Bank, or any further or different officer of the Board so named by any Authorized Representative of the Board in a written notice to the Bank.

"Bank" is defined in the introductory paragraph hereof.

"Bank Agreement" means any agreement entered into with any lender, creditor or holder of Indebtedness under which the Board has pledged the Pledged Taxes to secured its obligations, including, without limitation[, specifically describe other agreement to be entered into at closing.]

"Base Rate" means the greatest of (i) the Prime Rate, (ii) the Federal Funds Rate plus 0.50%, and (ii) the LIBOR Quoted Rate plus 1%.

"Base Rate Applicable Margin" means (i) 0.60% during the first 120 days that a Tax-Exempt Base Rate Loan is outstanding, and 1.20% thereafter, and (ii) 0.70% during the first 120 days that a Taxable Base Rate Loan is outstanding and 1.40% thereafter.

"Base Rate Loan" means a Tax-Exempt Base Rate Loan or a Taxable Base Rate Loan, in either case bearing interest as specified in Section 2.1 hereof.

"Board" is defined in the introductory paragraph hereof.

"Bond Authorization Act" means the Bond Authorization Act (30 ILCS 305), as amended from time to time.

"Business Day" means any day other than a Saturday or Sunday on which the Bank is not authorized or required to close in Chicago, Illinois, and if the applicable Business Day relates to the advance or conversion into, or payment of a LIBOR Rate Loan, a day on which banks are dealing in U.S. dollar deposits in the interbank market in London, England.

"Capital Lease" means any lease of Property which in accordance with GAAP is required to be capitalized on the balance sheet of the lessee.

"Closing Date" means _____, 2014.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

"Commitment" is defined in Section 1.1 hereof.

"Controlled Group" means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Board, are treated as a single employer under Section 414 of the Code.

"County Collector" means the County Treasurer of The County of Cook, Illinois in its capacity as county collector, or such other officer as may lawfully be appointed in the future to serve as county collector in such county.

"Debt Service Fund" has the meaning set forth in the Indenture.

"Default" means any event or condition the occurrence of which would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

"Default Base Rate" means the greatest of (i) the Prime Rate, the Federal Funds Rate plus 1.5%, (iii) the LIBOR Quoted Rate plus 3.5%, and (iv) five percent (5%).

"Default Rate" means, for the first sixty days after the occurrence of an Event of Default, the rate per annum equal to four percent (4%) plus the Default Base Rate, and thereafter, the Statutory Maximum Rate.

"Determination of Taxability" means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the Board files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Board notifies the Bank that it has requested and received a written opinion by a nationally recognized attorney or firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the Bank of such notification from the Board, the Board shall deliver to the Bank a ruling or determination letter issued to or on behalf of the Board by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the Board shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other

government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Board, or upon any review or audit of the Board or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on the date when the Board shall receive notice from the Bank that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Bank the interest on the Loan due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) above unless the Board has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined after taking into account any permitted appeals; *provided further, however,* that upon demand from the Bank, the Board shall promptly reimburse the Bank for any payments, including any taxes, interest, penalties or other charges, the Bank shall be obligated to make as a result of the Determination of Taxability.

"EMMA" means the Electronic Municipal Market Access as provided by the Municipal Securities Rulemaking Board.

"Escrow Account" means a segregated account held by the Escrow Agent and pledged to secure the Board's Obligations, into which the proceeds of the Pledged Taxes will be deposited.

[**"Escrow Agent"** means _____.]

"Escrow Agreement" means the 2014 Escrow Agreement dated as of _____, 2014, by and between the Board, the Trustee, the Series 2014B Trustee and the Escrow Agent, as amended from time to time.

"Event of Default" means any event or condition identified as such in Section 8.1 hereof.

"Event of Taxability" means a (i) a change in law or judicial or administrative interpretation thereof, the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Board, or the failure to take any action by the Board, or the making by the Board of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Note) which has the effect of causing interest paid or payable on the Note to become includable, in whole or in part, in the gross income of the Bank for federal income tax purposes, whether as a result of a claim by the Internal Revenue Service that interest on the Note is includable in the gross income of Bank for federal income tax purposes, or an opinion of note counsel, or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid

or payable on the Note to become includable, in whole or in part, in the gross income of the Bank for federal income tax purposes with respect to the Note.

"Excluded Taxes" means, with respect to the Bank or any participant, taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the Laws of which such recipient is organized or in which its principal office is located.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) charged to the Bank on such day on such transactions as determined by the Bank.

"Fiscal Year" means each twelve month period from July 1 through the following June 30.

"Fitch" means Fitch, Inc., and any successor rating agency.

"FRB" means the Board of Governors of the Federal Reserve System of the United States, together with any successors thereof.

"GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination.

"General Obligation Indebtedness" means Indebtedness constituting general obligation Indebtedness of the Board and payable from moneys, revenues, receipts, income, assets or funds available therefor.

"Governmental Authority" any federal, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity (including any zoning authority, the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority), or any arbitrator with authority to bind a party at law.

“Guarantee” means, as to any Person, any (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the *“primary obligor”*) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term *“Guarantee”* as a verb has a corresponding meaning.

“Indebtedness” means, with respect to any Person, (i) all obligations of such Person for money borrowed and reimbursement obligations under letters of credit which are not contingent, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable incurred in the ordinary course of business, (iv) all obligations of such Person under Capital Leases, (v) all Guarantees of such Person of the Indebtedness of other Persons, and (vi) all net obligations of such person under any Swap Agreement.

“Indenture” means the Trust Indenture dated as of the date hereof by and between the Board and the Trustee.

“Interest Payment Date” shall have the meaning set forth in the Indenture.

“Investment Policy” means the investment policy of the Board delivered pursuant to Section 9.1 hereof.

“Laws” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"LIBOR Applicable Margin" means (i) 0.60% during the first 120 days that a Tax-Exempt LIBOR Rate Loan is outstanding, and 1.20% thereafter, and (ii) 0.70% during the first 120 days that a Taxable LIBOR Rate Loan is outstanding and 1.40% thereafter.

"LIBOR Quoted Rate" means, for any day, the rate per annum equal to the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in U.S. Dollars for a one-month interest period which appears on the LIBOR01 Page as of 11:00 a.m. (London, England time) on such day (or, if such day is not a Business Day, on the immediately preceding Business Day).

"LIBOR Rate Loan" means a Loan bearing interest as specified in Section 2.2 hereof.

"Lien" means any mortgage, lien, security interest, pledge, charge, or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, Capital Lease or other title retention arrangement.

"Loan" and *"Loans"* each is defined in Section 1.1 hereof.

"Loan Documents" means this Agreement, the Note, the Resolution, the Indenture, the Escrow Agreement and each other instrument or document to be delivered hereunder or thereunder or otherwise in connection therewith.

"Margin Stock" has the meaning ascribed to such term in Regulation U promulgated by the FRB, as now and hereafter from time to time in effect.

"Material Adverse Effect" means (a) a material adverse change in, or material adverse effect upon, the financial condition, operations, Property, condition (financial or otherwise) or assets of the Board, (b) a material impairment of the ability of the Board to perform its obligations under any Loan Document or the security for the Note, or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Board of any Loan Document or the rights and remedies of the Bank thereunder.

"Maturity Date" has the meaning set forth in the Indenture. [364 day issue.]

"Moody's" means Moody's Investors Service, Inc.

"Note" is defined in Section 1.1 hereof.

"Obligations" means all obligations of the Board to pay principal and interest on the Loans, all fees and charges payable hereunder, and all other payment obligations of the Board arising under or in relation to any Loan Document, in each case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held, or acquired.

"OFAC" means the United States Department of Treasury Office of Foreign Assets Control.

“OFAC Sanctions Programs” means all laws, regulations, and Executive Orders administered by OFAC, including without limitation, the Bank Secrecy Act, anti-money laundering laws (including, without limitation, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56 (a/k/a the USA Patriot Act)), and all economic and trade sanction programs administered by OFAC, any and all similar United States federal laws, regulations or Executive Orders, and any similar laws, regulators or orders adopted by any State within the United States.

“OFAC SDN List” means the list of the Specially Designated Nationals and Blocked Persons maintained by OFAC.

“Parity Indebtedness” means any Indebtedness heretofor or hereafter issued or incurred by the Board that is secured by the Pledged Taxes.

“Person” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or any other entity or organization, including a government or agency or political subdivision thereof.

“Plan” means any employee pension benefit plan covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code that either (a) is maintained by a member of the Controlled Group for employees of a member of the Controlled Group or (b) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

“Pledged Taxes” mean the annual tax levied by the Board upon all taxable property within its boundaries for educational purposes for the year 2014.

“Prime Rate” means for any day the rate of interest announced by the Bank from time to time as its prime commercial rate for U.S. dollar loans, or equivalent, as in effect on such day, with any change in the Prime Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“Rating” means the debt rating of the Board’s unenhanced General Obligation Indebtedness.

“Rating Agency” means any of Moody’s, S&P and Fitch, as applicable.

“Resolution” means Resolution No. [] adopted by the Board on October 24, 2014, which authorized the Board to enter into this Agreement and the Loan Documents to which it is a party.

"Revolving Credit" is defined in Section 1.1 hereof.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, and any successor rating agency.

"School Code" means the School Code of the State of Illinois, as amended.

"Series 2014B Indenture" means the Trust Indenture dated as of the date hereof between the Board and the Series 2014B Trustee.

"Series 2014B Trustee" means the trustee as defined in the Series 2014B Indenture.

"State" means the State of Illinois.

"Statutory Maximum Rate" means the maximum rate of interest on the relevant obligation permitted from time to time pursuant to applicable law, including the Bond Authorization Act.

"Swap Agreement" means (a) any and all rate swap transactions, basis swaps, total return swaps, credit derivative transactions, forward rate transactions, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, cap transactions, floor transactions, collar transactions, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a *"Master Agreement"*), including any such obligations or liabilities under any Master Agreement.

"Tax Penalty Date" has the meaning set forth in the Indenture.

"Taxable Base Rate Loan" has the meaning set forth in Section 2.1 hereof.

"Taxable Date" means the date on which interest on any Loan is first includable in the gross income of the Bank or any participant as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability.

"Taxable LIBOR Rate Loan" has the meaning set forth in Section 2.2 hereof.

"Taxable Rate" means the product of (i) the interest rate that would otherwise be applicable to the Note multiplied by (ii) 1.54%.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Tax-Exempt Base Rate Loan" means a Base Rate Loan for which an opinion described in Section 9.1(e) hereof is applicable.

"Tax-Exempt LIBOR Rate Loan" means a LIBOR Rate Loan for which an opinion described in Section 9.1(e) hereof is applicable.

"Termination Date" means the earlier of (i) the Maturity Date, or (ii) such earlier date on which the Commitment is terminated in whole pursuant to Section 3.3, 8.2, or 8.3 hereof.

"Trust Estate" has the meaning set forth in the Indenture.

Section 5.2. Interpretation. The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. The words *"hereof"*, *"herein"*, and *"hereunder"* and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All references to time of day herein are references to Chicago, Illinois time unless otherwise specifically provided. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP except where such principles are inconsistent with the specific provisions of this Agreement.

SECTION 6. REPRESENTATIONS AND WARRANTIES.

The Board makes the following representations and warranties to each Bondholder:

Section 6.01. Due Authorization. The Board has full legal right, power and authority to (i) adopt the Resolution and (ii) enter into, to execute and deliver this Agreement and the other Loan Documents to which it is a party as provided herein and in the Resolution. The Board has duly authorized and approved the execution and delivery of this Agreement and the other Loan Documents to which it is a party.

Section 6.02. Enforceability. No further authorization or approval is required for the Board's execution and delivery of this Agreement or the other Loan Documents to which it is a party, and this Agreement and the other Loan Documents to which the Board is a party constitute legal, valid and binding obligations of the Board, enforceable in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, reorganization, insolvency, moratorium or other laws relating to or affecting the enforcement of creditors' rights generally or by general principles of equity; and no further authorization or approval is required with respect to the enforceability of the Board's obligations hereunder or thereunder.

Section 6.03. Resolution. The Board has duly adopted the Resolution, which is in full force and effect. The Indenture has been duly authorized, has been duly executed and delivered

by authorized officers of the Board, and is in full force and effect. In connection with the issuance of the Note and the execution and delivery of the Loan Documents, the Board has complied in all material respects with the Resolution, the Indenture and the laws of the State.

Section 6.04. Consents. All approvals, consents registrations, declarations and filings (except, if any, under applicable state blue sky or securities laws) with, any federal, state or other governmental body or instrumentality, having jurisdiction which would constitute a condition precedent to the performance by the Board of its obligations hereunder, under the Resolution or under the other Loan Documents to which the Board is a party have been obtained or made.

Section 6.05. No Violation. The adoption of the Resolution and compliance with the provisions thereof do not, and the execution and delivery of this Agreement and the other Loan Documents do not and will not (a) violate, in any material respect, any existing law or administrative regulation of the State or of any department, division, agency or instrumentality thereof or of the United States, or any court or administrative regulation, judgment, decree or order to which the Board is subject, (b) conflict with in a material manner or constitute on the part of the Board a material breach of, or a material default under, any material provision of any agreement, indenture, mortgage, lease, note, resolution, agreement or other instrument to which the Board is subject or by which it is bound, (c) contravene the Board's authorizing legislation, (d) require any consent or approval of any creditor of the Board or (e) result in or require the creation or imposition of any Lien upon or with respect to any Property now owned or hereafter acquired by the Board or any Affiliate thereof except such Liens, if any, expressly created by any Loan Document.

Section 6.06. Litigation. Except as disclosed in writing to the Bank prior to the Closing Date, no action, suit or proceeding, at law or in equity, or before any court, public board or body is pending (or to the knowledge of the Board threatened) against the Board or any officers of the Board in their respective capacities as such (i) to restrain or enjoin the delivery by the Board of the Note, or (ii) questioning the authority of the Board to adopt the Resolution or to issue, or the issuance or validity of, the Note or the other Loan Documents or any other Debt of the Board or (iii) questioning the constitutionality of any statute or the validity of any proceedings authorizing the issuance of the Note, the Loan Documents, or (iv) questioning the validity or enforceability of the Resolution or the Indenture, or (v) questioning in any manner the Board's pledge of the Pledged Taxes, or (vi) which could reasonably be expected to result in a Material Adverse Effect.

Section 6.07. Security. Pursuant to the Resolution, the Note and the fees payable pursuant to Section 3.01 hereof shall be secured by the Pledged Taxes and the Board shall pay such fees and the principal of and interest on the Note from the Pledged Taxes and the funds in the Escrow Account and the Debt Service Fund as provided in the Indenture. All other Obligations hereunder not constituting principal of and interest on the Note shall be payable from legally available funds of the Board. The Board covenants and agrees to include any amount necessary to pay such Obligations in the annual budget of the Board and to use its best efforts to assure such annual appropriations are made.

Section 6.08. Trust Estate. The moneys pledged pursuant to the granting clauses of the Indenture for payment of the Note have not been, and will not be, pledged by the Board to the payment of any other obligations, except as permitted by the Indenture and the Resolution.

Section 6.09. Validity of Lien. The lien granted under the Indenture on the Trust Estate is a valid and enforceable lien securing the payment of the Note and any Parity Indebtedness, and there is no Lien on the Trust Estate securing Indebtedness on a basis senior to the Note.

Section 6.10. Organization. The Board is a school district duly organized and validly existing under the laws of the State and has the power and authority to own its properties and to carry on its businesses as now being conducted and as currently contemplated to be conducted hereafter.

Section 6.11. Financial Statements. The most recent audited financial statements of the Board delivered to the Bank fairly present the financial position and results of operation of the Board as of June 30, 2013, and the financial statements have been prepared in accordance with GAAP as consistently applied to governmental units, except as otherwise noted therein. Except as otherwise disclosed to the Bank in writing, to the best knowledge of the Board, no material adverse change in the financial position of the Board as shown on such financial statements has occurred since June 30, 2013.

Section 6.12. Absence of Default. The Board is not in default under any material provision of the Resolution, the Indenture or under any other Loan Document to which the Board is a party. The Board is not in default under any material agreements or instruments to the extent such default would have a Material Adverse Effect. No default by the Board has occurred and is continuing in the payment of the principal of or premium, if any, or interest on any Parity Indebtedness. No bankruptcy, insolvency or other similar proceedings pertaining to the Board or any agency or instrumentality of the Board are pending or presently contemplated. No Default or Event of Default has occurred and is continuing hereunder. The Board is not in violation of any material term of the organizational documents or authorizing legislation applicable to the Board or any material term of any indenture or agreement to which it is a party or by which any of its Property is bound which could reasonably be expected to result in a Material Adverse Effect.

Section 6.13. Absence of Pledges. The proceeds of the Pledged Taxes pledged pursuant to the Indenture have not been, and will not be, pledged by the Board in a manner inconsistent with the Indenture, the Escrow Agreement, the Series 2014B Indenture and the Resolution.

Section 6.14. No Proposed Legal Changes. Except as disclosed to the Bank in writing, there is no amendment, or to the knowledge of the Board, proposed amendment certified for placement on a statewide ballot, to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any State law, or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which is to have a Material Adverse Effect.

Section 6.15. Incorporation of Representations and Warranties. The Board hereby makes to the Bank the same representations and warranties as were made by it in each Loan Document to which it is a party, which representations and warranties, together with the related definitions of terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and definition were set forth herein in its entirety. No amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant Loan Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Bank.

Section 6.16. Investment Company. The Board is not an “*investment company*” or a company “*controlled*” by an “*investment company*,” as such terms are defined in the Investment Company Act of 1940, as amended.

Section 6.17. Margin Stock. The Board is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of any Loan will be used to purchase or carry any such Margin Stock or extend credit to others for the purpose of purchasing or carrying any such Margin Stock.

Section 6.18. Tax-Exempt Status. The Board has not taken any action or omitted to take any action, and has no actual knowledge of any action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Loans from gross income for federal income tax purposes.

Section 6.19. No Immunity. Under existing law, sovereign immunity does not prevent the enforcement by the Bank of this Agreement, any Loan Document to which the Board is a party or the Note.

Section 6.20. No Public Vote or Referendum. There is no public vote or referendum pending or concluded, the results of which could reasonably be expected to result in a Material Adverse Effect.

Section 6.21. Swap Agreements. The Board has not entered into any Swap Agreement relating to Indebtedness (i) wherein any termination payment thereunder is senior to or on a parity with the payment of the Note or (ii) which requires the Board to post cash collateral to secure its obligations thereunder.

Section 6.22. Pledged Taxes. The Board represents that as of the Closing Date, calculated by reference to the assessment roll of the County Clerk for the 2013 tax year, the levy of taxes for property tax levy year 2014 for educational purposes of the Board, the proceeds of which have not been dedicated to other indebtedness (other than Parity Indebtedness) or pension obligations is \$_____.

Section 6.23. Anti-Terrorism Laws. The Board is not in violation of any Laws relating to terrorism or money laundering (“*Anti-Terrorism Laws*”), including Executive Order No. 13224

on Terrorist Financing, effective September 24, 2001 (the “*Executive Order*”), and the Patriot Act;

(a) The Board is not any of the following:

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a Person with which the Bank is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or

(v) a Person that is named as a “specially designated national and blocked person” on the most current list published by the Office of Foreign Asset Control (“OFAC”) or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;

(b) The Board does not (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (a)(ii) above, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engage in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

SECTION 7. COVENANTS OF THE BOARD

The Board covenants and agrees, until the full and final payment and satisfaction of all of the Obligations, except in any instance in which the Bank specially agrees in writing to any performance or noncompliance, that:

Section 7.1. Further Assurances. The Board shall execute, acknowledge where appropriate, and deliver, and cause to be executed, acknowledged where appropriate, and delivered, from time to time promptly at the request of the Bank, all such instruments and documents as in the reasonable judgment of the Bank are necessary to comply with this Agreement, the Note and the Indenture.

Section 7.2. Information. The Board will deliver or cause to be delivered to the Bank as soon as available, the following documents:

- (i) within two hundred ten (210) days after the close of each of its fiscal years, the audited financial statements of the Board certified by independent certified public accountants covering the operations of the Board for such fiscal year and containing balance sheets, statements of revenues, expenses and changes in retained earnings and statements of cash flows of the Board for such fiscal year, all prepared in accordance with generally accepted accounting principles, and a Compliance Certificate signed by an Authorized Representative stating that no Event of Default or Default has occurred, or if such Event of Default or Default has occurred, specifying the nature of such Event of Default or Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Event of Default or Default;
- (ii) within forty-five (45) days of its passage by the Board, the Board's annual budget appropriation resolution, which shall include the budget;
- (iii) within five (5) days of the end of each calendar month, a report as to the balance in the Escrow Account as of the end of such month; and
- (iv) from time to time, with reasonable promptness, such additional information regarding the financial condition of the Board as the Bank may reasonably request in writing.

Section 7.3. Book and Records; Inspection of Records. The Board shall keep adequate records and books of account, in which complete entries will be made, reflecting all material financial transactions of the Board. Upon the reasonable request of the Bank and during normal business hours, the Board will give the Bank, or any attorney-in-fact or counsel therefor, access to and permission to examine, copy or make excerpts from, any and all books, records and documents under control of the Comptroller relating to the financial condition of the Board, and to the extent permitted by applicable law, visit, the properties of the Board to discuss the affairs, finances and accounts of the Board with any of the Board's officers and trustees. All material financial data required to be submitted pursuant to this Agreement shall be prepared in conformity with GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the financial statements, except as otherwise specifically prescribed herein. Except as provided in the immediately preceding sentence, in preparing any financial data or statements contemplated or referred to in this Agreement, the Board shall not vary or modify the accounting methods or principles from the accounting standards employed in the preparation of its audited financial statements described in Section 6.11 hereof. The foregoing shall not be construed to require the Board to provide the Bank with access to personnel records or information that is confidential under applicable law.

Section 7.4. Compliance With Laws. The Board shall comply in all material respects with the School Code and with all laws, resolutions, investment policies, orders, rules and regulations that may be applicable to it if the failure to comply would have a material adverse

effect on the security for the Note, or the Board's ability to repay when due its obligations under this Agreement, the Note, or the other Loan Documents.

Section 7.5. Notices. The Board will promptly furnish, or cause to be furnished, to the Bank (i) notice of the occurrence of any Event of Default or Default as defined herein or in the Resolution which is known to the Board, (ii) notice of the failure by the Escrow Agent to perform any of its obligations under the Escrow Agreement or the Trustee to perform any of its obligations under the Indenture, in each case, which is known to the Board, (iii) notice of the failure by the Trustee to perform any of its obligations under the Indenture which is known to the Board, (iv), each notice required to be given by the Board to the Bank pursuant to the Resolution, (v) notice of any litigation or administrative proceeding which, if adversely determined, could result in a Material Adverse Effect, and (vi) such further financial and other information with respect to the Board and its affairs as the Bank may reasonably request from time to time.

Section 7.6. Maintenance of Approvals; Filings, Etc. The Board shall at all times maintain in effect, renew and comply with all the terms and conditions of all consents, licenses, approvals and authorizations as may be necessary under any applicable law or regulation for its execution and delivery of (i) this Agreement and (ii) with respect to the other Loan Documents to the extent that failure to do so would have a material adverse effect on the security for the Note or the Board's ability to pay when due its Obligations under this Agreement or with respect to the Note.

Section 7.7. Credit Facilities. In the event that the Board shall, directly or indirectly, enter into or otherwise consent to any amendment, supplement or other modification of any Bank Agreement which includes more favorable covenants or greater rights and remedies, including the right to accelerate the payment of the Obligations, the Board shall give prompt written notice thereof to the Bank, and the Board and the Bank shall promptly enter into an amendment to this Agreement, and negotiate in good faith, to give the Bank the same covenants, rights and remedies, under substantially similar conditions, as are set forth in such other Bank Agreement, and in the case of rights and remedies, upon the occurrence of an Event of Default hereunder. The foregoing shall not be construed to give the Bank the benefit of more favorable fees or interest rates set forth in any other Bank Agreement.

Section 7.8. Maintenance of Tax-Exempt Status of the Note. The Board will not take any action or omit to take any action which, if taken or omitted, would adversely affect the exclusion of interest on the Note (subject to the inclusion of any exception contained in the opinions of Note Counsel delivered upon the original issuance of such Note) under the Resolution from gross income for purposes of federal income taxation; *provided* that failure to comply with this provision shall not constitute an Event of Default hereunder.

Section 7.9. Amendments to Loan Documents. The Board shall not amend or modify or permit to be amended or modified any of the Loan Documents in a manner relating in any way to this Agreement or the Bank or having a material adverse effect on the security or the Note or the Board's ability to pay its obligations hereunder, without the prior written consent of the Bank.

Section 7.10. Escrow Agent; Trustee. Prior to appointing any successor Escrow Agent or Trustee, the Board shall notify the Bank and request its approval of such successor, which approval shall not be unreasonably withheld, conditioned or delayed. The Bank shall object to or approve of such successor Escrow Agent or Trustee within 10 days of the Bank's receipt of such request. Any rejection of such request shall be in writing and shall include a statement of the Bank's reason for such objection.

Section 7.11. Underlying Rating. The Board shall at all times maintain a Rating from at least one Rating Agency. The Board covenants and agrees that it shall not at any time withdraw any Rating from any of Fitch, Moody's or S&P if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement.

Section 7.12. Compliance with other Covenants. From and after the date hereof and so long as this Agreement is in effect or any Obligations are outstanding hereunder, except to the extent compliance in any case or cases is waived in writing by the Bank, the Board agrees that it will, for the benefit of the Bank, comply with in all material respects abide by all material agreements, covenants, obligations and undertakings contained in each of the Loan Documents, including, without limitation, the Resolution, it being understood that no amendment or waiver with respect to the foregoing Sections shall be effective as to this Agreement unless and until specifically agreed to in writing by the Bank with reference to this Agreement.

Section 7.13. Existence, Etc. The Board shall maintain its existence pursuant to its authorizing legislation and the laws of the State.

Section 7.14. Compliance With Documents. The Board agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Resolution and each of the other Loan Documents to which it is a party, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Bank and shall be enforceable against the Board. To the extent that any such incorporated provision permits any other party to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the Board or any other party, for purposes of this Agreement, such provision shall be complied with unless it is specifically waived by the Bank in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank which shall only be evidenced by the written approval by the Bank of the same. Except as permitted by Section 7.9 hereof, no termination or amendment to such covenants and agreements or defined terms or release of the Board with respect thereto made pursuant to the Resolution or any of the other Loan Documents to which the Board is a party, shall be effective to terminate or amend such covenants and agreements and defined terms or release the Board with respect thereto in each case as incorporated by reference herein without the prior written consent of the Bank. Notwithstanding any termination or expiration of the Resolution or any such other Loan Document to which the Board is a party, the Board shall continue to observe the covenants therein contained for the benefit of the Bank until the termination of this Agreement and the payment in full of the Note and all other Obligations.

Section 7.15. No Impairment. The Board will neither take any action, nor cause the Escrow Agent to take any action, under the Indenture or any other Loan Document which would materially adversely affect the rights, interests, remedies or security of the Bank under this Agreement or any other Loan Document.

Section 7.16. Disclosure to Participants. The Board shall permit the Bank to disclose the financial information received by it pursuant to this Agreement to each participant of the Bank, subject to confidentiality restrictions and use restrictions customary for financial institutions.

Section 7.17. Investment Policy. All investments of the Board have been and will be made in accordance with the terms of the Investment Policy.

Section 7.18. Escrow Agreement. The Board has directed the County Collector of the County of Cook, Illinois, to directly deposit the Pledged Taxes as received in a segregated account with the Escrow Agent. The Board shall cause the Escrow Agent to make payment of the funds held in the Escrow Account in accordance with the terms of the Escrow Agreement. After the Tax Penalty Date, the Board shall not permit any funds to be disbursed from the Escrow Account other than for the payment of principal and interest on the Loans outstanding hereunder and under any Bank Agreement, until all the outstanding Loans hereunder and under any other Bank Agreement have been paid in full.

Section 7.19. Federal Reserve Board Regulations. The Board shall not use any portion of the proceeds of the Note for the purpose of carrying or purchasing any Margin Stock and shall not incur any Indebtedness which is to be reduced, retired or purchased by the Board out of such proceeds.

Section 7.20. Liens. The Board shall not, directly or indirectly, incur, create or permit to exist any Lien on the Pledged Taxes or the Escrow Account, other than the Liens created for the benefit of the Note and other Parity Indebtedness that has heretofore or may hereafter be issued. No other Person shall be granted a Lien on the Pledged Taxes senior to that of the Lien in favor of the Bank.

Section 7.21. Parity Indebtedness. The Board shall not issue Parity Indebtedness in an aggregate principal amount outstanding at any time in excess of [75% of the amount of uncollected Pledged Taxes.]

Section 7.22. Pledged Taxes. The Board has directed the County Collector to deposit all collections of the Pledged Taxes directly with the Escrow Agent for application in accordance with the provisions of the Escrow Agreement. As long as any of the Obligations remain outstanding or the Bank is obligated to advance Loans hereunder, the Board will not modify or amend such direction.

SECTION 8. EVENTS OF DEFAULT

Section 8.1. Events of Default. The occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary, or effected by operation of law) shall be an "Event of Default" hereunder, unless waived in writing by the Bank:

- (a) the Board fails to pay, or cause to be paid, when due: (i) the principal of or interest on any Note (whether by scheduled maturity, required prepayment, redemption or otherwise); or (ii) any other Obligation owing to the Bank hereunder and such failure continues for a period of five (5) Business Days;
- (b) any representation, warranty or statement made by or on behalf of the Board herein or in the Indenture, the Resolution or the Escrow Agreement or in any certificate delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; or the documents, certificates or statements of the Board (including unaudited financial reports, budgets, projections and cash flows of the Board) furnished to the Bank by or on behalf of the Board in connection with the transactions contemplated hereby, when taken as a whole, are materially inaccurate in light of the circumstances under which they were made and as of the date on which they were made;
- (c) (i) the Board fails to perform or observe any term, covenant or agreement contained in Sections 7.2(iv), 7.3, 7.4, 7.5(i), 7.8, 7.9, 7.10, 7.11, 7.12, 7.13, 7.14, 7.15, 7.18, 7.20, 7.21 or 7.22 hereof; or (ii) the Board fails to perform or observe any other term, covenant or agreement contained in this Agreement (other than those referred to in Sections 7.1(a) and (c)(i)) and any such failure cannot be cured or, if curable, remains uncured for thirty (30) days after written notice thereof to the Board;
- (d) the Board shall (i) default on the payment of the principal of or interest on any Parity Indebtedness including, without limitation, any regularly scheduled payments on Swap Agreements which constitute Parity Indebtedness, beyond the period of grace, if any, provided in the instrument or agreement under which such Parity Indebtedness was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Parity Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist; or
- (e) any material provision of this Agreement or any Loan Document shall at any time for any reason cease to be valid and binding on the Board or any other party thereto or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by an Authorized Representative of the Board or such other party thereto or by any Governmental Authority having jurisdiction, or the Board or such other party shall deny that it has any or further liability or obligation under any such document and the occurrence of any such event would have a material adverse effect on the security for the Note or the Board's ability to pay its obligations under this Agreement;

(f) any provision of the Indenture or the Resolution relating to the Board's ability to pay the Obligations or perform its obligations hereunder or the rights and remedies of the Bank, or any Loan Document to which the Board is a party, or any material provision thereof shall cease to be in full force or effect, or any Authorized Representative of the Board shall deny or disaffirm the Board's obligations under the Indenture or any other Loan Document to which the Board is a party;

(g) One or more final, unappealable judgments against the Board not covered by insurance, or attachments against the property of the Board, the operation or result of which, individually or in the aggregate, equal or exceed \$5,000,000 shall remain unpaid, unstayed, undischarged, unappealed, unbonded or undismissed for a period of sixty (60) days;

(h) (i) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any debts of the Board; (ii) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, the Board seeks to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or bankrupt or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts; (iii) the Board seeks appointment of a receiver, trustee, custodian or other similar official for itself or for any substantial part of the Board's property, or the Board shall make a general assignment for the benefit of its creditors; (iv) there shall be commenced against the Board any case, proceeding or other action of a nature referred to in clause (ii) above and the same shall remain undismissed; (v) there shall be commenced against the Board any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distress or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within sixty (60) days from the entry thereof; (vi) the Board takes action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), (iii), (iv) or (v) above; or (vii) the Board shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(i) any of Fitch, Moody's or S&P (so long as such Rating Agencies otherwise maintain ratings on the Board's General Obligation Indebtedness) shall have downgraded the Board's Rating to below "BBB-" (or its equivalent), "Baa3" (or its equivalent), or "BBB-" (or its equivalent), respectively, or suspended or withdrawn its rating of the same; or

(j) dissolution or termination of the existence of the Board; and

(k) any "event of default" under the Indenture (as defined therein) shall have occurred.

(l) any event of default shall have occurred as defined in the Continuing Covenant Agreement dated as of December 1, 2013 between the Bank and the Board.

Section 8.2. Consequences of an Event of Default. If an Event of Default specified in Section 8.1 hereof shall occur and be continuing, the Bank may take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(a) notify the Trustee, the Escrow Agent and the Board of such Event of Default, and upon the occurrence of such Event of Default all Obligations hereunder and under the Note shall bear interest at the Default Rate during the continuance thereof and no additional Loans shall be made hereunder;

(b) deliver a written notice to the Escrow Agent, the Trustee and the Board that an Event of Default has occurred and is continuing and direct the Escrow Agent and the Board, as applicable, to take such remedial action as is provided for in the Loan Documents, and thereafter the Escrow Agent shall not disburse any funds to the Board from the Escrow Account until all Obligations hereunder and under the Note shall be paid in full and the Bank has no further obligation to disburse funds hereunder;

(c) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable hereunder, under the Note and under the Indenture or to enforce performance or observance of any obligation, agreement or covenant of the Board under the Loan Documents, whether for specific performance of any agreement or covenant of the Board or in aid of the execution of any power granted to the Bank in the Loan Documents; and

(d) exercise, or cause to be exercised, any and all remedies as it may have under the Loan Documents and as otherwise available at law and at equity.

Section 8.3. Remedies Cumulative; Solely for the Benefit of Bank. To the extent permitted by, and subject to the mandatory requirements of, applicable Law, each and every right, power and remedy herein specifically given to the Bank in the Loan Documents shall be cumulative, concurrent and nonexclusive and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy (whether specifically herein given or otherwise existing) may be exercised from time to time and as often and in such order as may be deemed expedient by the Bank, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy.

The rights and remedies of the Bank specified herein are for the sole and exclusive benefit, use and protection of the Bank, and the Bank is entitled, but shall have no duty or obligation to the Board, the Escrow Agent, the Trustee or any other Person or otherwise, to

exercise or to refrain from exercising any right or remedy reserved to the Bank hereunder or the Indenture.

Section 8.4. Waivers or Omissions. No delay or omission by the Bank in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right remedy or power or be construed to be a waiver of any default on the part of the Bank or to be acquiescence therein. No express or implied waiver by the Bank of any Event of Default shall in any way be a waiver of any future or subsequent Event of Default.

Section 8.5. Discontinuance of Proceedings. In case the Bank shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Indenture and shall thereafter elect to discontinue or abandon the same for any reason, the Bank shall have the unqualified right so to do and, in such event, the Board and the Bank shall be restored to their former positions with respect to the Obligations, the Loan Documents and otherwise, and the rights, remedies, recourse and powers of the Bank hereunder shall continue as if the same had never been invoked.

SECTION 9. CONDITIONS PRECEDENT.

The obligation of the Bank to make any extension of credit under this Agreement is subject to the following conditions precedent:

Section 9.1. All Advances. As of the time of the making of each extension of credit (including the initial extension of credit) hereunder:

(a) each of the representations and warranties set forth in Section 6 hereof and in the other Loan Documents shall be true and correct as of such time, except to the extent the same expressly relate to an earlier date;

(b) no Default or Event of Default shall have occurred and be continuing or would occur as a result of making such extension of credit;

(c) such extension of credit shall not violate any order, judgment, or decree of any court or other authority or any provision of law or regulation applicable to the Bank (including, without limitation, Regulation U of the Board of Governors of the Federal Reserve System) as then in effect;

(d) the Board shall deliver a certificate to the Bank demonstrating that the principal amount of such Loan, when added to the aggregate principal amount of all other outstanding Loans hereunder and the aggregate amount of all outstanding loans under any other Bank Agreement, does not exceed 80% of the uncollected Pledged Taxes; and

[**(e) the Bank shall have received an opinion from outside counsel to the Issuer that interest on the loan is not includable in gross income of the Bank.]**

The Board's request for any extension of credit hereunder shall constitute its warranty as to the facts specified in subsections (a) through (e), both inclusive, above.

Section 9.2. Initial Advance. At or prior to the making of the initial extension of credit hereunder, the following conditions precedent shall also have been satisfied:

(a) the Bank shall have received the following (and, with respect to all documents, each to be properly executed and completed) and the same shall have been approved as to form and substance by the Bank:

(i) duly executed copies of the Note, this Agreement and the Loan Documents;

(ii) copies (executed or certified as may be appropriate) of the Resolution of the Board of Directors or other governing body of the Board authorizing the execution, delivery, and performance of the Loan Documents;

(iii) an incumbency certificate containing the name, title and genuine signature of the Board's Authorized Representatives;

(iv) a duly completed Internal Revenue Service Form W-9 for the Board;

(b) legal matters incident to the execution and delivery of the Loan Documents and to the transactions contemplated hereby shall be satisfactory to the Bank and its counsel; and the Bank shall have received the favorable written opinion of outside counsel for the Board in form and substance satisfactory to the Bank and its counsel, including as to the tax-exempt nature of interest on the Loan;

(c) the Bank shall have received a copy of the Board's investment policy;

(d) the Board shall certify that (i) no Default or Event of Default shall have occurred and be continuing as of the date hereof or will result from the execution and delivery by the Board of this Agreement; (ii) the representations and warranties and covenants made by the Board in Section 6 and 7 hereof or incorporated herein by reference shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date; (iii) neither the making of any Loans nor the consummation of any of the transactions contemplated by the Indenture, the Loan Documents or this Agreement will violate in any material respect any law, rule or regulation applicable to the Board or the Board's obligations under this Agreement; (iv) that there has been no event or circumstance since June 30, 2013, that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect; (v) that all actions required to be taken by, and all resolutions required to be adopted by, the Board under applicable law have been done and adopted; and (vi) that since the dated date of the Rating Documentation, the Ratings have not been reduced, withdrawn, suspended or reduced.

(e) *Ratings.* The Bank shall have received evidence that the Rating assigned by Moody's, S&P and Fitch to any general obligation Debt is at least "Baa1," "A+" and "A-," respectively (the "Rating Documentation").

(f) the Bank shall have received such other agreements, instruments, documents, certificates and opinions as the Bank may reasonably request.

SECTION 10. MISCELLANEOUS.

Section 10.1. Non-Business Days. If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment shall be extended to the next succeeding Business Day on which date such payment shall be due and payable. In the case of any payment of principal falling due on a day which is not a Business Day, interest on such principal amount shall continue to accrue during such extension at the rate per annum then in effect, which accrued amount shall be due and payable on the next scheduled date for the payment of interest.

Section 10.2. No Waiver, Cumulative Remedies. No delay or failure on the part of the Bank or on the part of the holder of the Obligations in the exercise of any power or right shall operate as a waiver thereof or as an acquiescence in any default, nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof or the exercise of any other power or right. The rights and remedies hereunder of the Bank and of the holder of the Obligations are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have.

Section 10.3. Amendments, Etc. No amendment, modification, termination or waiver of any provision of this Agreement or of any other Loan Document, nor consent to any departure by the Board therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank. No notice to or demand on the Board in any case shall entitle the Board to any other or further notice or demand in similar or other circumstances.

Section 10.4. Costs and Expenses; Indemnification. (a) The Board agrees to pay on demand the costs and expenses of the Bank in connection with the negotiation, preparation, execution and delivery of this Agreement, the other Loan Documents and the other instruments and documents to be delivered hereunder or thereunder, and in connection with the transactions contemplated hereby or thereby, and in connection with any consents hereunder or waivers or amendments hereto or thereto, including the reasonable fees and expenses of counsel for the Bank with respect to all of the foregoing (whether or not the transactions contemplated hereby are consummated). The Board further agrees to pay to the Bank or any other holder of the Obligations all costs and expenses (including court costs and reasonable attorneys' fees), if any, incurred or paid by the Bank or any other holder of the Obligations in connection with any Default or Event of Default or in connection with the enforcement of this Agreement or any of the other Loan Documents or any other instrument or document delivered hereunder or thereunder (including, without limitation, all such costs and expenses incurred in connection with any proceeding under the United States Bankruptcy Code involving the Board or any guarantor). The Board further agrees to indemnify the Bank, and any security trustee, and their respective

directors, officers and employees, against all losses, claims, damages, penalties, judgments, liabilities and expenses (including, without limitation, all expenses of litigation or preparation therefor, whether or not the indemnified Person is a party thereto) which any of them may pay or incur arising out of or relating to any Loan Document or any of the transactions contemplated thereby or the direct or indirect application or proposed application of the proceeds of any extension of credit made available hereunder, other than those which arise from the gross negligence or willful misconduct of the party claiming indemnification. The Board, upon demand by the Bank at any time, shall reimburse the Bank for any legal or other expenses incurred in connection with investigating or defending against any of the foregoing except if the same is directly due to the gross negligence or willful misconduct of the party to be indemnified. The obligations of the Board under this Section shall survive the termination of this Agreement.

(b) The Board unconditionally agrees to forever indemnify, defend and hold harmless, and covenants not to sue for any claim for contribution against, the Bank for any damages, costs, loss or expense, including without limitation, response, remedial or removal costs, arising out of any of the following: (i) any presence, release, threatened release or disposal of any hazardous or toxic substance or petroleum by the Board or otherwise occurring on or with respect to their Property, (ii) the operation or violation of any environmental law, whether federal, state, or local, and any regulations promulgated thereunder, by the Board or otherwise occurring on or with respect to their Property, (iii) any claim for personal injury or property damage in connection with the Board or otherwise occurring on or with respect to their Property, and (iv) the inaccuracy or breach of any environmental representation, warranty or covenant by the Board made herein or in any mortgage, deed of trust, security agreement, or any other instrument or document evidencing or securing any indebtedness, obligations, or liabilities of the Board owing to the Bank or setting forth terms and conditions applicable thereto or otherwise relating thereto, except for damages arising from the Bank's willful misconduct or gross negligence. This indemnification shall survive the payment and satisfaction of all Obligations owing to the Bank and the termination of this Agreement, and shall remain in force beyond the expiration of any applicable statute of limitations and payment or satisfaction in full of any single claim under this indemnification. This indemnification shall be binding upon the successors and assigns of the Board and shall inure to the benefit of Bank and its directors, officers, employees, agents, and collateral trustees, and their successors and assigns.

Section 10.5. Documentary Taxes. The Board agrees to pay on demand any documentary, stamp or similar taxes payable in respect of this Agreement or any other Loan Document, including interest and penalties, in the event any such taxes are assessed, irrespective of when such assessment is made and whether or not any credit is then in use or available hereunder.

Section 10.6. Survival of Representations. All representations and warranties of the Board made herein or in any of the Indenture or in certificates given pursuant hereto or thereto shall survive the execution and delivery of this Agreement and the other Loan Documents, and shall continue in full force and effect with respect to the date as of which they were made as long as any credit is in use or available hereunder.

Section 10.7. Notices. Except as otherwise specified herein, all notices hereunder shall be in writing (including, without limitation, notice by telecopy) and shall be given to the relevant party at its address or telecopier number set forth below, or such other address or telecopier number as such party may hereafter specify by notice to the other given by courier, by United States certified or registered mail, by telecopy or by other telecommunication device capable of creating a written record of such notice and its receipt. Notices hereunder shall be addressed:

to the Board at:

Board of Education of the City of Chicago
Office of the Chief Financial Officer
125 South Clark Street
Chicago, Illinois 60603
Attention: Chief Financial Officer
Telephone: (773) 553-2700
Telexcopy: (773) 553-2701

to the Bank at:

BMO Harris Bank N.A.
111 West Monroe Street
Chicago, Illinois 60603
Attention: Mark Mitrovich
Telephone: (312) []
Telexcopy: (312) 293-5811

Each such notice, request or other communication shall be effective (i) if given by telecopier, when such telecopy is transmitted to the telecopier number specified in this Section and a confirmation of such telecopy has been received by the sender, (ii) if given by mail, five (5) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iii) if given by any other means, when delivered at the addresses specified in this Section; provided that any notice given pursuant to Section 1 hereof shall be effective only upon receipt.

Section 10.8. Construction. The provisions of this Agreement relating to Subsidiaries shall only apply during such times as the Board has one or more Subsidiaries. NOTHING CONTAINED HEREIN SHALL BE DEEMED OR CONSTRUED TO PERMIT ANY ACT OR OMISSION WHICH IS PROHIBITED BY THE TERMS OF ANY OF THE OTHER LOAN DOCUMENTS, THE COVENANTS AND AGREEMENTS CONTAINED HEREIN BEING IN ADDITION TO AND NOT IN SUBSTITUTION FOR THE COVENANTS AND AGREEMENTS CONTAINED IN THE OTHER LOAN DOCUMENTS.

Section 10.9. Headings. Section headings used in this Agreement are for convenience of reference only and are not a part of this Agreement for any other purpose.

Section 10.10. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 10.11. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties hereto on separate counterpart signature pages, and all such counterparts taken together shall be deemed to constitute one and the same instrument.

Section 10.12. Binding Nature, Governing Law, Etc. This Agreement shall be binding upon the Board and its successors and assigns, and shall inure to the benefit of the Bank and the benefit of its successors and assigns, including any subsequent holder of the Obligations. The

Board may not assign its rights hereunder without the written consent of the Bank. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF ILLINOIS WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

Section 10.13. Submission to Jurisdiction; Waiver of Jury Trial. The Board hereby submits to the nonexclusive jurisdiction of the United States District Court for the Northern District of Illinois and of any Illinois State court sitting in the City of Chicago for purposes of all legal proceedings arising out of or relating to this Agreement, the other Loan Documents or the transactions contemplated hereby or thereby. The Board irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. THE BOARD AND THE BANK HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY.

Section 10.14. USA Patriot Act. The Bank hereby notifies the Board that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify, and record information that identifies the Board, which information includes the name and address of the Board and other information that will allow the Bank to identify the Board in accordance with the Act.

Section 10.15. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Board acknowledges and agrees: (i) (A) the Board has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (B) the Board is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Bank has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or fiduciary for the Board or any of its Affiliates, or any other Person and (B) the Bank has no obligation to the Board or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Bank and its respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Board and its Affiliates, and the Bank has no obligation to disclose any of such interests to the Board or its Affiliates. To the fullest extent permitted by law, the Board hereby waives and releases any claims that it may have against the Bank with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

[SIGNATURE PAGE TO FOLLOW]

This Credit Agreement is entered into between us for the uses and purposes hereinabove set forth as of the date first above written.

"BOARD"

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By _____
Name _____
Title _____

"BANK"

BMO HARRIS BANK N.A.

By _____
Name _____
Title _____

EXHIBIT A
REVOLVING NOTE

\$[_____]

Chicago, Illinois
[____], 2014

On the Termination Date, for value received, the undersigned, the BOARD OF EDUCATION OF THE CITY OF CHICAGO, a school district duly organized and existing under the laws of the State of Illinois (the "Board"), hereby promises to pay to the order of BMO HARRIS BANK N.A. (the "Bank") at its office at 111 West Monroe Street, Chicago, Illinois, the principal sum of (i) [_____] Million and no/100 DOLLARS (\$[_____]), or (ii) such lesser amount as may at the time of the maturity hereof, whether by acceleration or otherwise, be the aggregate unpaid principal amount of all Loans owing from the Board to the Bank under the Revolving Credit provided for in the Credit Agreement hereinafter mentioned.

This Note evidences Loans made and to be made to the Board by the Bank under the Revolving Credit provided for under that certain Credit Agreement dated as of [____], 2014, between the Board and the Bank (said Credit Agreement, as the same may be amended, modified or restated from time to time, being referred to herein as the "*Credit Agreement*"), and the Board hereby promises to pay interest at the office described above on such Loans evidenced hereby at the rates and at the times and in the manner specified therefor in the Credit Agreement.

This Note is issued by the Board under the terms and provisions of the Credit Agreement and this Note and the holder hereof are entitled to all of the benefits and security provided for thereby or referred to therein, to which reference is hereby made for a statement thereof. This Note may be declared to be, or be and become, due prior to its expressed maturity, voluntary prepayments may be made hereon, all in the events, on the terms and with the effects provided in the Credit Agreement. All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in the Credit Agreement. **[The Board's Obligations hereunder are supported by a pledge of the Pledged Taxes and the Escrow Account, as described in the Credit Agreement.]**

The Board hereby promises to pay all costs and expenses (including reasonable attorneys' fees) suffered or incurred by the holder hereof in collecting this Note or enforcing any rights in any collateral therefor. The Board hereby waives presentment for payment and demand. **THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE INTERNAL LAWS OF THE STATE OF ILLINOIS WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.**

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By _____
Name _____
Title _____

Do not Sign

EXHIBIT B

**BOARD OF EDUCATION OF THE CITY OF CHICAGO
COMPLIANCE CERTIFICATE**

To: BMO Harris Bank N.A.

This Compliance Certificate is furnished to BMO Harris Bank N.A. (the "Bank") pursuant to that certain Credit Agreement dated as of [REDACTED], 2014, between the Board of Education of the City of Chicago and the Bank (the "Credit Agreement"). Unless otherwise defined herein, the terms used in this Compliance Certificate have the meanings ascribed thereto in the Credit Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected _____ of the Board;
2. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Board during the accounting period covered by the attached financial statements;
3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below;
4. The financial statements required by Section 7.2 of the Credit Agreement and being furnished to you concurrently with this certificate are, to the best of my knowledge, true, correct and complete as of the dates and for the periods covered thereby; and
5. The Attachment hereto sets forth financial data and computations evidencing the Board's compliance with certain covenants of the Credit Agreement, all of which data and computations are, to the best of my knowledge, true, complete and correct and have been made in accordance with the relevant Sections of the Credit Agreement.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Board has taken, is taking, or proposes to take with respect to each such condition or event:

October 22, 2014

The foregoing certifications, together with the computations set forth in the Attachment hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this _____ day of _____, ____.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By _____
Name _____
Title _____

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EXHIBIT C
Form of Trust Indenture

C-1

FORM OF TRUST INDENTURE

by and between

BOARD OF EDUCATION OF THE CITY OF CHICAGO

and

_____ as trustee

dated as of _____ 1, 2014

securing

\$ _____,000,000
Educational Purposes Tax Anticipation Notes, Series 2014A

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Exhibit A – Form of Note

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Exhibit E – Form of Certificate and Direction Regarding Repaid Advance

Exhibit F – Form of Investor Letter

(iii)

THIS TRUST INDENTURE dated as of _____ 1, 2014 (the "*Indenture*"), by and between the BOARD OF EDUCATION OF THE CITY OF CHICAGO, a school district organized and existing under the laws of the State of Illinois, and _____, a duly organized trust company, existing and authorized to accept and execute trusts of the character set forth herein (the "*Trustee*").

WITNESSETH:

WHEREAS, pursuant to the provisions of Article 34 of the School Code of the State of Illinois, as amended (the "*School Code*"), the City of Chicago constitutes one school district (the "*School District*") which is a body politic and corporate by the name of the "Board of Education of the City of Chicago," governed by the Chicago Board of Education (the "*Board*"); and

WHEREAS, the 2014 tax levy of the Board for educational purposes (the "*2014 Tax Levy*") is in the amount of \$2,205,000,000 and such levy has been duly adopted by the Board and filed in the manner provided by law with the County Clerk of the County of Cook, Illinois and the County Clerk of the County of DuPage, Illinois; and

WHEREAS, in accordance with the provisions of Section 34-23.5 of the School Code and the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Act*"), the Board, on the 22nd day of October, 2014 adopted Resolution No. 14-1022-RS _____ (the "*Note Resolution*") authorizing the Board to enter into one or more lending agreements with banks establishing lines of credit to enable the Board to borrow money in anticipation of the tax revenue to be derived from the 2014 Tax Levy and to issue and have outstanding tax anticipation notes (the "*Tax Anticipation Notes*") in anticipation of such tax revenue in an aggregate principal amount outstanding from time to time of not to exceed \$500,000,000; and

WHEREAS, the Board has heretofore determined that it is advisable, necessary and in the best interests of the Board and the residents of the School District to issue the Tax Anticipation Notes from time to time to provide funds for the payment of ordinary and necessary expenditures for educational purposes; and

WHEREAS, pursuant to authority granted in the Note Resolution, the Board has appointed _____ to act as Trustee under this Indenture; and

WHEREAS, pursuant to the Note Resolution, the Board has duly authorized the issuance of a series of Tax Anticipation Notes designated as its Educational Purposes Tax Anticipation Notes, Series 2014A (the "*Notes*") in the aggregate principal amount of not to exceed \$_____,000,000 for the purpose of paying such ordinary and necessary expenditures of educational purposes and paying costs of issuance of the Notes; and

WHEREAS, the Notes will be payable from the tax revenue collections from the 2014 Tax Levy (the "*Pledged Tax Receipts*"); and

WHEREAS, the Notes will be further secured by the other moneys, securities and funds pledged under this Indenture; and

WHEREAS, the Board has entered into a credit agreement with _____ establishing a line of credit for the benefit of the Board in the maximum amount of \$ _____; and

WHEREAS, the Board, the Trustee, _____ and _____ (the "Escrow Agent") have entered into the 2014 Tax Escrow Agreement dated _____ (the "Tax Escrow Agreement") with respect to the administration of the Pledged Tax Receipts and the Board has authorized the direct deposit to the Escrow Agent of the Pledged Tax Receipts; and

WHEREAS, all things necessary to make the Notes, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal limited obligations of the Board according to the import thereof, and to constitute this Indenture a valid pledge of and grant of a lien on the Pledged Tax Receipts to secure the payment of the principal of, premium, if any, and interest on the Notes have been done and performed, in due form and time, as required by law; and

WHEREAS, the execution and delivery of this Indenture and the execution and issuance of the Notes, subject to the terms hereof, have in all respects been duly authorized.

GRANTING CLAUSES

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

That in order to secure the payment of the principal of, premium, if any, and interest on all Notes issued hereunder, according to the import thereof, and the performance and observance of each and every covenant and condition herein and in the Notes contained, and for and in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Notes by the respective Owners (as hereinafter defined) thereof, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Notes shall be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners thereof, the Board does hereby pledge and grant a lien upon the following Trust Estate to the Trustee and its successors in trust and assigns, for the benefit of the Owners to the extent provided in this Indenture:

(a) The Pledged Tax Receipts, provided that the pledge of the Pledged Tax Receipts to the Notes is on a parity with the pledge of the Pledged Tax Receipts to any Tax Anticipation Notes; and

(b) All moneys and securities and earnings thereon held in the Escrow Account maintained under the Tax Escrow Agreement, provided that such pledge to the Notes is on a parity with the pledge of the moneys and securities held in the Escrow Account for the benefit and security of any other Tax Anticipation Notes and is subject to the allocation of the moneys and securities in the Escrow Account in accordance with the terms and provisions of the Tax Escrow Agreement; and

(c) All moneys and securities and earnings thereon in all Funds, Accounts and Sub-Accounts established pursuant to this Indenture; and

(d) Any and all other moneys, securities and property furnished from time to time to the Trustee by the Board or on behalf of the Board or by any other persons to be held by the Trustee under the terms of this Indenture;

BUT IN TRUST NEVERTHELESS, and except as herein otherwise provided, for the equal and proportionate benefit and security of the Notes issued hereunder and secured by this Indenture, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of any one Note over any other or from the others by reason of priority in the issue or negotiation thereof or by reason of the date or dates of maturity thereof, or for any other reason whatsoever, so that each and all of the Notes shall have the same right, lien and privilege under this Indenture and shall be equally secured hereby, with the same effect as if the same had all been made, issued and negotiated upon the delivery hereof.

PROVIDED FURTHER, HOWEVER, that the Board has reserved the right, upon compliance with the provisions of Section 6.4, to issue Additional Notes (as hereinafter defined) on a parity with and sharing ratably and equally in the Pledged Tax Receipts with the Notes.

PROVIDED FURTHER, HOWEVER, that these presents are upon the condition that, if the Board, or its successors, shall well and truly pay or cause to be paid, or provide, pursuant to Section 11.1, for the payment of all principal, premium, if any, and interest on the Notes due or to become due thereon and all other amounts secured hereby, at the times and in the manner stipulated therein and herein, then this Indenture and the rights hereby granted shall cease, terminate and be void, but shall otherwise be and remain in full force.

AND IT IS HEREBY COVENANTED AND AGREED by and among the Board, the Trustee and the Owners of the Notes from time to time, that the terms and conditions upon which the Notes are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the Owners thereof, and the trusts and conditions upon which the moneys and securities hereby pledged are to be held and disposed of, which trusts and conditions the Trustee hereby accepts, are as follows:

ARTICLE I

Definitions and Construction

Section 1.1. Definitions. The following terms shall, for all purposes of this Indenture, have the following meanings unless a different meaning clearly appears from the context:

“Act” means the Local Government Debt Reform Act of the State, as amended.

“Additional Notes” means any Tax Anticipation Notes issued by the Board in accordance with the provisions of the School Code and the Act on a parity with and sharing ratably and

equally in all or any portion of the Pledged Tax Receipts with the Notes and any other Tax Anticipation Notes secured by such Pledged Tax Receipts.

“Advance” means either the Initial Advance or a Supplemental Advance.

[“*Applicable Spread*” means, 0.60% initially, but will increase by .10% for each level downgrade of the Board’s long-term unenhanced debt ratings (each a “*Rating*”), based on the following:

Level	S & P Rating	Moody’s Rating	Fitch Rating	Applicable spread increases by
1	BBB+	Baa1	BBB+	10 bps
2	BBB	Baa2	BBB	10 bps
3	BBB-	Baa3	BBB-	10 bps

If Ratings are then in effect (i) from only one of Moody’s, S&P or Fitch, the Applicable Spread will increase by the increase corresponding to the level set forth above corresponding to the Rating from such Rating Service, (ii) from two of Moody’s, S&P or Fitch, the Applicable Spread will increase by the increase corresponding to the level set forth above corresponding to the lower Rating from either of such Rating Agencies and (iii) from all three of Moody’s, S&P and Fitch, the Applicable Spread will increase by the increase corresponding to the Level set forth above corresponding to the lower of the two highest Ratings from the Rating Services. References in this definition are to rating categories as presently determined by the Rating Services, and in the event of the adoption of any new or changed rating system or a “global” rating scale by any such Rating Service, the rating categories shall be adjusted accordingly to a new rating which most closely approximates the requirements as set forth herein.]

“Authorized Denominations” means, \$5,000 and any integral multiple thereof.

“Authorized Officer” means (a) any Designated Official, (b) the Controller and Chief Operating Officer of the Board acting together, or (c) any other officer or employee of the Board authorized to perform specific acts or duties hereunder by resolution duly adopted by the Board.

[“*Base Rate*” means for any day, the rate per annum equal to the greatest of: (a) the rate of interest announced or otherwise established by the Purchaser from time to time as its prime commercial rate as in effect on such day, with any change in the Base Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate (it being acknowledged and agreed that such rate may not be the Purchaser’s best or lowest rate), (b) the sum of (i) the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve System of New York on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be the rate on such transactions on the next proceeding Business Day as so published on the next succeeding

Business Day, and (b) if no such rate is published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Purchaser on such transactions as determined by the Purchaser, *plus* (ii) 150 basis points, (c) the LIBOR Quoted Rate for such day *plus* 3.00%, or (d) five percent (5.00%). As used herein, the term "*LIBOR Quoted Rate*" means, for any day, the rate per annum equal to the quotient of (i) the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in U.S. Dollars for a one-month interest period which appears on the LIBOR01 Page as of 11:00 a.m. (London, England time) on such day (or, if such day is not a Business Day, on the immediately preceding Business Day) divided by (ii) one (1) minus the Reserve Percentage.]

"*Board*" means the school district coterminous with the City of Chicago, which is a body politic and corporate by the name of the "Board of Education of the City of Chicago," governed by the Chicago Board of Education.

"*Bond Authorization Act*" means the Bond Authorization Act of the State, as amended.

"*Bond Counsel*" means the firm of Katten Muchin Rosenman LLP, Chicago, Illinois, or any other law firm designated by the Board having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal notes, acceptable to the Trustee.

"*Business Day*" means any day other than (a) a Saturday, Sunday or (b) a day on which banking institutions located (i) in the city in which the designated office of the Trustee is located, (ii) in the city in which the designated office of the Escrow Agent is located or (c) a day on which the principal office of the Calculation Agent or the principal office of the Purchaser is closed.

["*Calculation Agent*" means the Purchaser, provided that the Board may confirm any calculations made hereunder.]

"*Code*" or "*Code and Regulations*" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated or proposed pursuant thereto as the same may be in effect from time to time.

"*Counsel's Opinion*" or "*Opinion of Counsel*" means an opinion signed by an attorney or firm of attorneys of recognized standing in the area of law to which the opinion relates, who may be counsel to the Board (including the internal counsel to the Board) or Bond Counsel.

"*County Collectors*" means, collectively, the County Treasurers of The Counties of Cook and DuPage, Illinois, in their respective capacities as county collector, or, respectively, such other officer as may be lawfully appointed in the future to serve as county collector in either of said counties.

"*Credit Agreement*" means the Credit Agreement dated as of _____ 1, 2014, by and between the Board and the Purchaser, or any successor agreement, as the same may be amended, supplemented, restated or otherwise modified from time to time.

“Date of Issuance” means the date of original, initial issuance and delivery of Initial Advance of the Notes hereunder.

“Default Rate” means, with respect to Notes the Base Rate + 4.00% for the first 60 days after an Event of Default hereunder has occurred, and thereafter shall be the Maximum Interest Rate provided such Default Rate may never exceed the Maximum Interest Rate.

“Defaulted Interest” means interest on any Note which is payable but not duly paid on the date due.

“Defeasance Obligations” means Government Obligations which are not subject to redemption other than at the option of the holder thereof.

“Designated Official” means (i) the President of the Board, (ii) the Chief Financial Officer of the Board, (iii) the Treasurer of the Board, or (iv) any other officer of the Board authorized to perform specific acts and duties under this Indenture by a resolution of the Board.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

(i) on that date when the Board files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Board notifies any Noteholder or any former Noteholder that it has requested and received a written opinion by a nationally recognized attorney or firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the Noteholder of such notification from the Board, the Board shall deliver to the Noteholder and any former Noteholder a ruling or determination letter issued to or on behalf of the Board by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the Board shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Board, or upon any review or audit of the Board or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on that date when the Board shall receive notice from the Noteholder or any former Noteholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Noteholder or such former Noteholder the interest on the Notes due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the Board has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however,* that upon demand from the Noteholder or former Noteholder, the Board shall promptly reimburse, but solely from payments made by the Board, such Noteholder or former Noteholder for any payments, including any taxes, interest, penalties or other charges, such Noteholder (or former Noteholder) shall be obligated to make as a result of the Determination of Taxability.

“DTC” means The Depository Trust Company, New York, New York.

“Escrow Agent” means _____, or its successor as escrow agent under the Tax Escrow Agreement.

“Event of Default” means any event so designated and specified in Section 8.1.

“Event of Taxability” means a (i) a change in law or judicial or administrative interpretation thereof, the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Board, or the failure to take any action by the Board, or the making by the Board of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Notes) which has the effect of causing interest paid or payable on the Notes to become includable, in whole or in part, in the gross income of the Noteholder or any former Noteholder for federal income tax purposes, whether as a result of a claim by the Internal Revenue Service that interest on the Notes is includable in the gross income of Noteholder or any former Noteholder for federal income tax purposes, or an opinion of note counsel, or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Notes to become includable, in whole or in part, in the gross income of the Noteholder or any former Noteholder for federal income tax purposes with respect to the Notes.

“Fiduciary” or “Fiduciaries” means the Trustee, the Registrar, the Calculation Agent and the Paying Agent, or any or all of them, as may be appropriate.

“Financing Documents” means this Indenture and the Credit Agreement.

“Fitch” means Fitch Ratings, its successors and assigns, and, if Fitch shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board by notice to the Trustee.

“Forward Supply Contract” means any contract entered into between the Board and a supplier of Investment Securities selected by or pursuant to the direction of the Board (a “Counterparty”) pursuant to which the Counterparty agrees to sell to the Board (or to the Trustee on behalf of the Board) and the Board (or the Trustee on behalf of the Board) agrees to purchase specified Investment Securities on specific dates at specific purchase prices, all as established at the time of the execution and delivery of such contract and as set forth in such contract. Any

amounts due and owing from the Board to the Counterparty pursuant to any Forward Supply Contract (other than the specified purchase prices of the Investment Securities set forth therein) shall be treated as current operating expenses of the Board subject to annual appropriation, and shall not constitute indebtedness of the Board.

“Government Obligations” means (a) any direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America and (b) certificates of ownership of the principal of or interest on obligations of the type described in clause (a) of this definition, (i) which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System in the capacity of a custodian, (ii) the owner of which certificate is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations, and (iii) for which the underlying obligations are held in safekeeping in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

“Immediate Notice” means notice by telephone, telex or telecopier or by facsimile transmission or other similar electronic means of communication, not including electronic mail transmission, proving evidence of transmission to such address as the addressee shall have directed in writing, promptly followed by written notice by first class mail, postage prepaid; *provided, however,* that if any person required to give an Immediate Notice shall not have been provided with the necessary information as to the telephone, telex, telecopier, facsimile or other similar electronic address of an addressee, Immediate Notice shall mean written notice by first class mail, postage prepaid.

“Indenture” means this Trust Indenture, dated as of _____ 1, 2014, by and between the Board and the Trustee, as from time to time amended and supplemented.

“Index” means One Month LIBOR.

[*“Index Floating Rate”* means for the Notes, the sum of [70%] of One Month LIBOR, plus the Applicable Spread.]

“Initial Advance” means the Advance of \$____,000 of proceeds made to the Board on the Date of Issuance pursuant to Section 2.1.

“Interest Payment Date” means each date that interest on the Notes is paid pursuant to Section 4.3(B), each redemption date with respect to the Notes redeemed and the Maturity Date.

“Investment Policy” means the Investment Policy approved by the Board, as currently in effect and as may be amended from time to time.

“Investment Securities” means any of the following securities authorized by law and the Investment Policy as permitted investments of Board funds at the time of purchase thereof:

(a) *Government Obligations*;

(b) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Farm Credit System Financial Assistance Corporation
- Farmers Home Administration
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration;

(c) Senior debt obligations issued by the Fannie Mae or the Federal Home Loan Mortgage Corporation and senior debt obligations of other government agencies which at the time of purchase are rated within the 4 highest general classifications established by a rating service of nationally recognized expertise or are expressly secured by the full faith and credit of the United States of America;

(d) U.S. dollar denominated deposit accounts, certificates of deposit (including those placed by a third party pursuant to an agreement between the Trustee and the Board), demand deposits, including interest bearing money market accounts, trust deposits, time deposits, federal funds and banker's acceptances with domestic commercial banks (including the Trustee and its affiliates) which on the date of purchase have any two of the following ratings on their short-term certificates of deposit: "A-I" or "A-I+" by S&P, "P-I" by Moody's and "FI" or "FI+" by Fitch, and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(e) Commercial paper which at the time of purchase has any two of the following ratings: "A-I" or above by S&P, "P-I" by Moody's and "FI" by Fitch, and which matures not more than 180 days after the date of purchase;

(f) Investments in a money market fund which at the time of purchase is rated "AAAm" or "AAAm-G" or better by S&P, including those for which the Trustee or an affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise;

(g) Repurchase Agreements; and

(h) Forward Supply Contracts.

Ratings of Investment Securities referred to herein shall be determined at the time of purchase of such Investment Securities and without regard to ratings subcategories.

"*Investor Letter*" means a letter in the form attached hereto as Exhibit F or in a form otherwise approved by a Designated Official.

“Letter of Representations” means the Blanket Issuer Letter of Representations dated March 15, 2002, between the Board and DTC, relating to the book-entry only system for the Notes described in Section 2.9.

“Maturity Date” means (i) October 1, 2015, if the Tax Penalty Date is on or prior to August 3, 2015 or (ii) the 60th day following the Tax Penalty Date if the Tax Penalty Date is later than August 3, 2015 but earlier than November 2, 2015 or (iii) December 31, 2015, if the Tax Penalty Date is on or later than November 2, 2015.

“Maximum Interest Rate” means, with respect to any of the Notes at any time, the lesser of (i) the Statutory Maximum Rate, or (ii) _____ % per annum.

“Moody’s” means Moody’s Investors Service, its successors and assigns, and, if Moody’s shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*Moody’s*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board by notice to the Trustee.

“Note Resolution” means Resolution No. 14-1022-RS____, adopted by the Board on October 22, 2014, authorizing the issuance of the Notes.

“Notes” means the Notes issued pursuant to Section 2.1(A) and any Notes issued hereunder in substitution or replacement therefor.

“One Month LIBOR” means the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in U.S. Dollars for a period equal to one month, which appears on the LIBOR01 Page as of 11:00 a.m. (London, England time) on the Rate Determination Date, and if such rate is unavailable or cannot be determined, the arithmetic average of the rates of interest per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) at which deposits in U.S. Dollars in immediately available funds are offered to the Purchaser at 11:00 a.m. (London, England time) on the Rate Determination Date by three (3) or more major banks in the interbank Eurodollar market selected by the Purchaser for delivery on the Reset Date and for a period equal to one month and in an amount equal or comparable to the principal amount of the Note. “LIBOR01 Page” means the display designated as “LIBOR01 Page” on the Reuters Service (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Calculation Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market).

If at least two such quotations are provided, One Month LIBOR will be the arithmetic mean of such quotations. If fewer than two quotations are provided, One Month LIBOR will be the arithmetic mean of the rates quoted by three (if three quotations are not provided, two or one, as applicable) major banks in New York City, selected by the Calculation Agent, at approximately 11:00 A.M., New York City time, two Business Days prior to the Rate Determination Date for loans in U.S. dollars to leading European banks in a principal amount of at least U.S. \$1,000,000 having a one-year maturity. If none of the banks in New York City selected by the Trustee is then quoting rates for such loans, then One Month LIBOR for the

ensuing interest period will mean One Month LIBOR then in effect in the immediately preceding Index Floating Rate Period.

“Opinion of Bond Counsel” means a written opinion of Bond Counsel in form and substance acceptable to the Board and the Trustee, which opinion may be based on a ruling or rulings of the Internal Revenue Service.

“Outstanding” means, as of any date, all Notes theretofore or thereupon being authenticated and delivered under this Indenture except:

(i) Any Notes canceled by the Trustee at or prior to such date;

(ii) Notes (or portions of Notes) for the payment (including through Repaid Advances pursuant to Section 2.11) or redemption of which moneys and/or Defeasance Obligations, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or date fixed for redemption, are held in trust under this Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Notes (or portions of Notes) are to be redeemed, notice of such redemption shall have been given as in Article III provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(iii) Notes in lieu of or in substitution for which other Notes shall have been authenticated and delivered pursuant to Article II, Section 3.3(C) or Section 10.6; and

(iv) Notes deemed to have been paid as provided in Section 11.1(B).

“Owner” or *“Noteholder”* means any person who shall be the registered owner of any Note or Notes.

“Participant,” when used with respect to any Securities Depository, means any participant of such Securities Depository.

“Paying Agent” means the Trustee and any other bank, national banking association or trust company designated by a Designated Official pursuant to Section 8.2, respectively, hereof as a paying agent for the Notes, and any successor or successors appointed by a Designated Official or the Trustee under this Indenture.

“Person” means and includes an association, unincorporated organization, a limited liability company, a corporation, a partnership, a joint venture, a business trust, or a government or an agency or a political subdivision thereof, or any other public or private entity, or a natural person.

“Pledged Tax Receipts” means all of the money derived from the collection of the Pledged Taxes.

“Pledged Taxes” means the annual tax levied by the Board upon all taxable property located in the School District for educational purposes for the year 2014.

“Principal Payment Date” means each date that principal on the Notes is paid pursuant to Section 4.3(B), each redemption date with respect to the Notes redeemed and the Maturity Date.

“Purchaser” means [] or its successors and assigns, so long as it (or any successor or assignee) owns at least a majority in aggregate principal amount of the Notes then outstanding.

“Rating Services” means the nationally recognized rating services, or any of them, that shall have assigned ratings to any Notes Outstanding as requested by or on behalf of the Board, and which ratings are then currently in effect.

“Record Date” means, with respect to a Note, for payment of interest, the Business Day immediately preceding each Interest Payment Date for such Note and for payment of principal, the Business Day immediately preceding each Principal Payment Date.

“Redemption Price” means, with respect to any Note, the principal amount thereof plus the applicable premium, if any, payable upon the date fixed for redemption.

“Reference Bank” means, with respect to an Index, any of the four largest United States banks with an office in London, based upon consolidated total asset size, as listed by the Federal Reserve in its most current (as of such date) statistical release on its website with respect thereto.

“Registrar” means the Trustee and any other bank, national banking association or trust company appointed by a Designated Official under this Indenture and designated as registrar for the Notes, and its successor or successors.

“Repaid Advances” means any Advance or portion thereof made hereunder in accordance with Section 2.12 which is paid back by the Board and deposited with the Trustee and transferred to the Owners on a pro rata basis.

“Repurchase Agreements” means repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 subject to the provisions of said Act and the Regulations issued thereunder. The government securities that are the subject of such repurchase agreements, unless registered or inscribed in the name of the Board, shall be purchased through banks or trust companies authorized to do business in the State of Illinois.

“Reserve Percentage” means, for any day, the maximum reserve percentage, expressed as a decimal, at which reserves (including, without limitation any emergency, marginal, special and supplemental reserves) are imposed by the Board of Governors of the Federal Reserve System (or any successor thereto) for “Eurocurrency Liabilities” (as defined in Regulation D of the Federal Reserve Board, as amended, or any successor thereto), (subject to any amendments of such reserved requirement by such Board or its successor, taking into account any transitional adjustments thereto, without benefit or credit for any prorations, exemptions or offsets under Regulation D and adjusted automatically on and as of the effective date of any change in any such reserve percentage). The Reserve Percentage as of the date of this Indenture is 0.0%, but is subject to change.

“School Code” means the School Code of the State of Illinois, as amended.

“*School District*” means the school district constituted by the City of Chicago pursuant to Article 34 of the School Code, and governed by the Chicago Board of Education.

“*Securities Depository*” means DTC and any other securities depository registered as a clearing agency with the Securities and Exchange Commission pursuant to Section 17A of the Securities Exchange Act of 1934, as amended, and appointed as the securities depository for the Notes.

“*Series 2014B Bonds*” means the Educational Purposes Tax Anticipation Notes, Series 2014B, of the Board.

“*SLGS*” means United States Treasury Certificates of Indebtedness, Notes and Bonds – State and Local Government Series.

“*Special Record Date*” means the date fixed by the Trustee pursuant to Section 2.2(G) for the payment of Defaulted Interest.

“*S&P*” means Standard & Poor’s, a Division of The McGraw-Hill Companies, Inc., its successors and assigns, and, if S&P shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board by notice to the Trustee.

“*State*” means the State of Illinois.

“*Statutory Maximum Rate*” means the maximum rate of interest permitted for the Notes from time to time pursuant to applicable law, including the Bond Authorization Act of the State, as amended.

“*Supplemental Advance*” means any additional advance of the principal amount of the Notes outstanding subsequent to the Initial Advance pursuant to Section 2.1, each of which shall be in an amount not less than \$_____.

“*Supplemental Indenture*” means any Supplemental Indenture between the Board and the Trustee authorized pursuant to Article XI.

“*Tax Agreement*” means the Tax Compliance Agreement, dated the date of issuance of the Notes, executed by the Board and the Trustee.

“*Tax Anticipation Notes*” means any one or more of the tax anticipation notes issued pursuant to the Act, including the Notes, the Series 2014B Notes and any Additional Notes.

“*Tax Escrow Agreement*” means the 2014 Tax Escrow Agreement dated as of _____, 2014 _____.

“*Tax Penalty Date*” means the last day on which the second installment of the Pledged Taxes may be paid without penalty with respect to taxable property located in the County of Cook, Illinois.

“Taxable Date” means the date as of which interest on the Notes is first includable in the gross income of the Owner (including, without limitation, any previous Owner) thereof as a result of an Event of Taxability as such date is established pursuant to a Determination Taxability.

“Taxable Rate” means an interest rate per annum at all times equal to the product of the Index Floating Rate then in effect multiplied by the Taxable Rate Factor but in no case shall such rate exceed the Maximum Interest Rate.

“Taxable Rate Factor” means 1.54.

“Trust Estate” means the Pledged Tax Receipts and all other property pledged to the Trustee pursuant to the Granting Clauses of this Indenture.

“Trustee” means _____ and any successor or successors appointed under this Indenture as hereinafter provided. The *“designated office”* of the Trustee means _____, Chicago, Illinois 606_____, or such other address as is provided by the Trustee.

“Undelivered Notes” means Notes that are not presented to the Trustee for payment of principal thereof and interest thereon when due, or purchase price thereon when due and for which sufficient moneys are on deposit with the Trustee to pay such principal and interest or purchase price.

“Year” or *“year”* means a calendar year.

Section 1.2. Miscellaneous Definitions. As used herein, and unless the context shall otherwise indicate, the words *“Note,”* *“Owner,”* and *“Person”* shall include the plural as well as the singular number.

As used herein, the terms *“herein,”* *“hereunder,”* *“hereby,”* *“hereto,”* *“hereof”* and any similar terms refer to this Indenture.

Unless the context shall otherwise indicate, references herein to articles, sections, subsections, clauses, paragraphs and other subdivisions refer to the designated articles, sections, subsections, clauses, paragraphs and other subdivisions of this Indenture as originally executed.

ARTICLE II

Authorization and Issuance of Notes

Section 2.1. Authorization and Issuance of Notes.

(A) The Board shall not issue any Notes under the provisions of this Indenture except in accordance with the provisions of this Article II. The total principal amount of Notes that may be Outstanding hereunder at any one time is expressly limited to \$250,000,000. The Notes shall be issued in multiple Advances in one series.

(B) The Notes shall be issued in the amount of the Initial Advance on the Date of Issuance. From time to time after the Date of Issuance and the Initial Advance of a portion of the proceeds of the Notes, the Board may issue additional Notes hereunder in the aggregate amount of Supplemental Advances; *provided, however* that no Notes shall be issued and no Supplemental Advances shall be made (a) unless (i) the aggregate principal amount of all Outstanding Notes, including the principal amount of Notes to be issued in connection with such Supplemental Advance, does not exceed \$250,000,000 and (ii) the aggregate principal amount of all Outstanding Notes, including the principal amount of Notes to be issued in connection with such Supplemental Advance, does not exceed seventy five percent (75%) of the remaining uncollected amount of the Pledged Taxes at the time of such Supplemental Advance; and (b) all conditions under the Credit Agreement and Sections 2.1 and 2.10 hereof are satisfied. Each Advance referenced herein is intended to be treated as being part of a single issue of Notes for which the issue date is the Date of Issuance.

(C) The Notes shall be issuable as fully registered notes, without coupons, in Authorized Denominations, substantially in the form attached as Exhibit A hereto, with such appropriate variations, omissions and insertions as are permitted or required by this Indenture. Unless the Board shall otherwise direct, the Notes shall be lettered and numbered from R-1 and upwards. The Notes, as initially issued, shall be dated the date of issuance and shall mature, subject to optional redemption as provided in Article III hereof. The Notes shall be held by the Trustee, as agent of the Owners. The Trustee, upon the written request of an Owner, shall deliver such Note to the Owner thereof; *provided, however*, that such Owner shall present such Note to the Trustee at the time of each Supplemental Advance and each Repaid Advance so that Exhibit A to the Note may be modified accordingly by the Trustee. Only the Trustee is authorized to modify Exhibit A to the Note.

(D) Each Note authenticated prior to the first Interest Payment Date thereon shall bear interest from its date of issue and thereafter interest shall accrue from the preceding Interest Payment Date except that if, as shown by the records of the Trustee, interest on such Note shall be in default, any Note issued in exchange for or upon the registration of transfer of such Note shall bear interest from the date to which interest has been paid in full on such Note or, if no interest has been paid on such Note, its date of issue. Each Note shall bear interest on overdue principal and, to the extent permitted by law, and interest at the rate borne by such Note on the date on which such principal or interest came due and payable, or, if applicable and greater, the Default Rate.

(E) Interest on Notes shall be payable on each Interest Payment Date. The principal of the Notes shall be payable in applicable amounts on each Principal Payment Date.

(F) The principal and interest on the Notes shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

(G) Payment of interest on Notes shall be paid on each Interest Payment Date to the person appearing on the note register as the Owner thereof as of the close of business of the Trustee on the Record Date (i) to the Purchaser by Automated Clearing House transfer and (ii) to any other Owner by wire transfer to such Owner to the wire transfer address within the United

States to which such Owner wishes to have such wire directed, as most recently provided to the Trustee not later than the Business Day next preceding the Record Date. Payment of principal on any Note shall be made on the applicable Principal Payment Date, to the Owner as of the close of business of the Trustee on the Record Date, (i) to the Purchaser by Automated Clearing House transfer and (ii) to any other Owner by wire transfer to such Owner on the applicable Principal Payment Date at the wire transfer address within the United States as most recently provided to the Trustee not later than the Business Day next preceding the Record Date.

(H) The net proceeds of the Notes, upon receipt, shall be applied as provided in Section 2.11.

Section 2.2. Interest on Notes.

(A) The Notes shall bear interest from and including the Date of Issuance until payment of the principal or Redemption Price thereof shall have been made or provided for in accordance with the provisions hereof, whether at the Maturity Date, upon redemption, or otherwise. The Notes shall be issued in multiple Advances bearing interest at the Index Floating Rate. [Interest accrued on the Notes shall be paid in arrears on each Interest Payment Date. Interest on the Notes shall be computed upon the basis of a 360-day year and the actual number of days elapsed.]

(B) From and after any Taxable Date, the interest rate on the Notes shall be established at the Taxable Rate.

(C) If an Event of Default shall occur and shall not have been remedied, then the Notes shall bear interest at the Default Rate.

(D) At any time the Calculation Agent determines any interest rate with respect to the Notes in excess of 9%, the Trustee or Calculation Agent, as the case may be, shall confirm that such rate is not in excess of the then applicable Maximum Interest Rate. The Trustee shall give Immediate Notice to the Board of any interest rate so determined in excess of 9%.

Section 2.3. Execution and Authentication.

(A) The Notes shall be executed in the name of the Board by the manual or facsimile signatures of its President (or in the event of a vacancy in the office of the President, the Vice President) and attested by the manual or facsimile signature of its Secretary. In case any one or more of the officers who shall have signed any of the Notes shall cease to be such officer before the Notes so signed shall have been authenticated and delivered by the Trustee, such Notes may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed such Notes had not ceased to hold such offices. Any Note may be signed on behalf of the Board by such persons who at the time of the execution of such Note shall hold the proper office of the Board, although at the date of such Note such persons may not have been so authorized or have held such office.

(B) The Notes shall bear a certificate of authentication, in the form set forth in this Indenture, executed manually by the Trustee. Only such Notes as shall bear such certificate of authentication shall be entitled to any right or benefit under this Indenture, and no such Note

shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any such Note executed on behalf of the Board shall be conclusive evidence that the Note so authenticated has been duly authenticated and delivered under this Indenture and that the Owner thereof is entitled to the benefits of this Indenture.

Section 2.4. Interchangeability of Notes. Subject to the provisions of Section 2.5, any Note, upon surrender at the designated office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Owner or its duly authorized attorney, may, at the option of the Owner and upon payment of any taxes, fees or charges as provided in Section 2.5, be exchanged for an equal aggregate principal amount of fully registered Notes having the same Maturity Date and tenor of any other Authorized Denominations.

Section 2.5. Negotiability, Transfer and Registration.

(A) Subject to the limitations contained in subsection (C) of this Section, upon surrender for registration of transfer of any Note at the designated office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the Owner or such Owner's attorney duly authorized in writing, the Board shall execute, and the Trustee shall authenticate and deliver, in the name of the transferee or transferees a new Note or Notes of like date and tenor in Authorized Denominations of the same Maturity Date for the aggregate principal amount which the Owner is entitled to receive bearing numbers not contemporaneously Outstanding. Subject to the limitations contained in subsection (C) of this Section, Notes may be exchanged at such times at such designated office of the Trustee upon surrender thereof together with an assignment duly executed by the Owner thereof or such Owner's attorney in such form and with guarantee of signature as shall be satisfactory to the Trustee for an equal aggregate principal amount of Notes of like date and tenor of any Authorized Denomination as the Notes surrendered for exchange bearing numbers not contemporaneously Outstanding. The execution by the Board of any Note of any Authorized Denomination shall constitute full and due authorization of such Authorized Denomination, and the Trustee shall thereby be authorized to authenticate and deliver such registered Note.

(B) No service charge shall be imposed upon the Owners for any exchange or transfer of Notes. The Board and the Trustee may, however, require payment by the person requesting an exchange or transfer of Notes of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto, except in the case of the issuance of a Note or Notes for the unredeemed portion of a Note surrendered for redemption in part.

(C) Notes delivered upon any registration of transfer or exchange as provided herein or as provided in Section 2.6 shall be valid limited obligations of the Board, evidencing the same debt as the Notes surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Note surrendered.

(D) The Board, the Trustee and any Paying Agent may treat the Owner of any Note as the absolute owner thereof for all purposes, whether or not such Note shall be overdue, and shall not be bound by any notice to the contrary. All payments of or on account of the principal of,

premium, if any, and interest on any such Note as herein provided shall be made only to or upon the written order of the Owner thereof or such Owner's legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

(E) Unless the Board directs the Trustee otherwise, Trustee shall not register the transfer of any Note in the name of a new Owner unless (i) it has received from such new Owner an executed copy of an Investor Letter of such new Owner substantially in the form attached hereto as Exhibit F or (ii) such new owner is an affiliate of the initial Purchaser.

Section 2.6. Notes Mutilated, Destroyed, Stolen or Lost. In case any Note shall become mutilated or be destroyed, stolen or lost, the Board shall execute, and thereupon the Trustee shall authenticate and deliver, a new Note of like Maturity Date and principal amount, as the Notes so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Note, upon surrender and cancellation of such mutilated Note or in lieu of and substitution for the Note destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the Board and the Trustee that such Note has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Board and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Board or the Trustee may prescribe and paying such expenses as the Board and Trustee may incur. All Notes so surrendered to the Trustee shall be canceled by the Trustee in accordance with Section 11.5. Any such new Notes issued pursuant to this Section in substitution for Notes alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Board, whether or not the Notes so alleged to be destroyed, stolen or lost shall be found at any time or be enforceable by anyone, shall be entitled to equal and proportionate benefits with all other Notes issued under this Indenture and shall be equally secured by the moneys or securities held by the Trustee for the benefit of the Owners.

Section 2.7. Temporary Notes.

(A) Until the definitive Notes are prepared, the Board may execute, in the same manner as is provided in Section 2.3, and, upon the request of the Board, the Trustee shall authenticate and deliver, in lieu of definitive Notes, but subject to the same provisions, limitations and conditions as the definitive Notes except as to exchangeability, one or more temporary Notes substantially of the tenor of the definitive Notes in lieu of which such temporary Note or Notes are issued, in Authorized Denominations, and with such omissions, insertions and variations as may be appropriate to temporary Notes. The Board shall prepare and execute and, upon the surrender of such temporary Notes the Trustee shall authenticate and, without charge to the Owner thereof, deliver in exchange therefor, definitive Notes of the same aggregate principal amount and Maturity Date as the temporary Notes surrendered in Authorized Denominations. Until so exchanged, the temporary Notes shall in all respects be entitled to the same benefits and security as definitive Notes authenticated and issued pursuant to this Indenture.

(B) The Owner of any temporary Note or Notes may, at its option, surrender the same to the Trustee in exchange for another temporary Note or Notes of like aggregate principal amount and Maturity Date of any Authorized Denominations, and thereupon the Board shall

execute and the Trustee shall authenticate and, in exchange for the temporary Note or Notes so surrendered and upon payment of the taxes, fees and charges provided for in Section 2.5(B), shall deliver a temporary Note or Notes of like aggregate principal amount and maturity in such other Authorized Denominations as shall be requested by such Owner.

(C) All temporary Notes surrendered in exchange either for another temporary Note or Notes or for a definitive Note or Notes shall be forthwith canceled by the Trustee.

Section 2.8. Required Information in Note Form. On each date on which the Trustee authenticates and delivers a Note, makes a Supplemental Advance or receives a Repayment Advance, it shall complete the information required to be inserted by the Note form or Exhibit A thereto and shall keep a record of such information.

Section 2.9. Book-Entry Provisions. The Notes as initially issued shall be certificated and shall not be in book-entry form unless and until the Board or the Purchaser requests the Trustee to convert the Notes to book-entry form. The provisions of this Section shall only apply if the Notes are ever maintained in book-entry form with DTC or another Securities Depository, any provisions of this Indenture to the contrary notwithstanding.

(A) The Notes shall be payable to the Securities Depository, or its nominee, as the Owner of the Notes, in same day funds on each date on which the principal of, premium, if any, and interest on the Notes is due as set forth in this Indenture and the Notes. Such payments shall be made to the offices of the Securities Depository specified by the Securities Depository to the Board and the Trustee in writing. Without notice to or the consent of the beneficial owners of the Notes, the Board and the Securities Depository may agree in writing to make payments of principal and interest in a manner different from that set forth herein. If such different manner of payment is agreed upon, the Board shall give the Trustee written notice thereof, and the Trustee shall make payments with respect to the Notes in the manner specified in such notice as set forth herein. Neither the Board nor the Trustee shall have any obligation with respect to the transfer or crediting of the principal of, premium, if any, and interest on the Notes to Participants or the beneficial owners of the Notes or their nominees.

(B) The Owners of the Notes have no right to the appointment or retention of a Securities Depository for the Notes. If (i) the Board determines, or (ii) the Board receives notice that the Securities Depository has received notice from its Participants having interests in at least 50 percent in principal amount of the Notes that the Securities Depository or its successor is incapable of discharging its responsibilities as a securities depository, or that it is in the best interests of the beneficial owners that they obtain certificated Notes, the Board may (or, in the case of clause (ii) of this subsection (B), the Board shall) cause the Trustee to authenticate and deliver Note certificates. The Board shall have no obligation to make any investigation to determine the occurrence of any events that would permit the Board to make any determination described in this paragraph.

(C) If, following a determination or event specified in subsection (B) of this Section, the Board discontinues the maintenance of the Notes in book-entry form with the then current Securities Depository, the Board will issue replacement Notes to the replacement Securities Depository, if any, or, if no replacement Securities Depository is selected for the Notes, directly

to the Participants as shown on the records of the former Securities Depository or, to the extent requested by any Participant, to the beneficial owners of the Notes shown on the records of such Participant. Replacement Notes shall be in fully registered form and in Authorized Denominations. Principal and premium, if any, on the replacement Notes are payable only upon presentation and surrender of such replacement Note or Notes at the designated office of the Trustee.

(D) The Securities Depository and its Participants, and the beneficial owners of the Notes, by their acceptance of the Notes, agree that the Board and the Trustee shall not have liability for the failure of such Securities Depository to perform its obligations to the Participants and the beneficial owners of the Notes, nor shall the Board or the Trustee be liable for the failure of any Participant or other nominee of the beneficial owners to perform any obligation of the Participant to a beneficial owner of the Notes.

(E) As long as Cede & Co. is the Owner of the Notes, as nominee of DTC, references herein to the Owners of the Notes shall mean Cede & Co. and shall not mean the beneficial owners of the Notes.

(F) As long as Cede & Co. is the Owner of the Notes:

(i) election of Notes to be redeemed upon partial redemption, presentation of Notes to the Trustee upon partial redemption, delivery of Notes to the Trustee in connection with an optional or mandatory tender, shall be deemed made when the right to exercise ownership rights in such Notes through DTC or DTC's Participants is transferred by DTC on its books;

(ii) any notices of the interest rate on the Notes to be provided by the Trustee shall be provided to anyone identifying itself to the Trustee as a person entitled to exercise ownership rights with respect to such Notes through DTC or its Participants;

(iii) DTC may present notices, approvals, waivers or other communications required or permitted to be made by Owners under the Indenture on a fractionalized basis on behalf of some or all of those persons entitled to exercise ownership rights in the Notes through DTC or its Participants.

Section 2.10. Delivery of Notes.

(A) *Initial Advance.* Upon the written order of the Board, the Board shall execute and deliver to the Trustee and the Trustee shall authenticate the Notes to be issued in the aggregate principal amount of the Initial Advance and shall deliver them to or upon the order of the Board as hereinafter in this Section 2.10 provided.

Prior to the delivery by the Trustee of any of the Notes, representing the Initial Advance, there shall be filed with the Trustee:

(1) A copy, duly certified by the Secretary of the Board, of (i) the Note Resolution (ii) incumbency certificate and (iii) the Investment Policy.

(2) Original executed counterparts of this Indenture, the Credit Agreement, the Tax Escrow Agreement and the Tax Agreement.

(3) An Opinion of Bond Counsel as to the validity and tax-exempt status of the Notes.

(4) An Opinion of Counsel for the Board in form and substance satisfactory to Bond Counsel and the purchasers of the Notes.

(5) A written direction from the Board to the Trustee requesting the Trustee to authenticate and deliver the Notes to the Purchaser in the aggregate principal amount of \$ _____ upon payment to the Board of the proceeds from the sale of the Notes specified in such written direction.

(6) An Investment Letter in the form attached hereto as Exhibit F.

(7) Such other instruments, documents and showings as may be required by the Board, the Trustee or Bond Counsel in connection with the issuance of the Notes.

The proceeds of the Notes shall be paid over to the Trustee and deposited to the credit of various funds as hereinafter provided under Section 2.11.

(B) ***Supplemental Advances.*** The ability of the Board to incur any Supplemental Advance hereunder and under the Credit Agreement is subject to the following conditions precedent in addition to Section 2.1: receipt by the Trustee and the Purchaser (with a copy to Bond Counsel) no later than 11:00 A.M. Chicago time, two Business Days prior to the date of any such Supplemental Advance, of (1) irrevocable Instructions From Board Regarding Supplemental Advance in substantially the form of Exhibit C hereto, with such changes as may be reasonable, necessary or appropriate, executed by the Board; and (2) an executed Certificate of the Board Regarding Supplemental Advance in substantially the form of Exhibit D hereto, with such changes, additions or modifications as may be reasonably acceptable to the Trustee and the Purchaser, with respect to such Supplemental Advance, upon which the Trustee and the Purchaser may conclusively rely in connection with any Supplemental Advance.

At least one Business Day prior to the date of such Supplemental Advance, by 11:00 A.M. Chicago time, the Trustee shall deliver to the Purchaser and the Board an executed Certificate of Trustee Regarding Supplemental Advance in substantially the form of Exhibit D hereto, with such changes, additions or modifications as are acceptable to the Board and the Purchaser; and

On the date of such Supplemental Advance, the Trustee shall enter the amount of such Supplemental Advance on Exhibit A of the Note held by the Trustee, as agent of the Owners, upon receipt of the proceeds of such Supplemental Advance from the Purchaser.

Section 2.11. Application of Proceeds of Advances. On the Date of Issuance, the Trustee shall pay to or upon the order of the Board all of the proceeds of sale of the Initial Advance. On the date of issuance of each Supplemental Advance, the Trustee shall pay to or upon the order of the Board all of the proceeds of sale of the Supplemental Advance.

Section 2.12. Repayments of Principal Advances. In addition to principal repayments made from the Debt Service Fund pursuant to Section 4.3(B), the Board may make principal repayments to the Trustee at the option of the Board on any Business Day provided that the Board provide at least two Business Days' notice to the Trustee and the Purchaser of its intent to repay an Advance. Upon such payment to the Owners, the Trustee shall make a notation of such Repaid Advance on Exhibit A to the Note. All principal repayments shall be in a principal amount which is an Authorized Denomination. Any amounts representing a principal repayment deposited by the Board with the Trustee pursuant to this Section shall be accompanied by a Certificate and Direction Regarding Repaid Advances, in substantially the form set forth in Exhibit E hereto, which Certificate shall be delivered to the Trustee. Each such optional principal repayment shall be deposited into the Repaid Advance Fund and transferred to the Owners on a pro rata basis, as directed in such Certificate and Direction.

ARTICLE III

Redemption of Notes

Section 3.1. Optional Redemption. The Notes shall be subject to redemption prior to their Maturity Date at the option of the Board, in whole or in part (and, if in part, in an Authorized Denomination) on any Business Day, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the redemption date.

Any redemption of less than all of the Notes outstanding shall be made in such a manner that all Notes outstanding after such redemption are in Authorized Denominations. In the event notice of redemption shall have been given as in Section 3.2 provided, (i) there shall be paid on or prior to the specified redemption date to the Trustee an amount in cash and/or Government Obligations maturing on or before the specified redemption date which, together with other moneys, if any, available therefor held by the Trustee, will be sufficient to redeem all of the Notes to be redeemed on the specified redemption date at their Redemption Price plus interest accrued and unpaid to the date fixed for redemption; such amount and moneys shall be held in a separate, segregated account for the benefit of the Owners of the Notes so called for redemption, or (ii) such redemption notice given under Section 3.2 shall state that any redemption is conditional on such funds being deposited on the redemption date, and that failure to deposit such funds shall not constitute an Event of Default under this Indenture.

Notes may be called for redemption by the Trustee pursuant to Section 3.2, upon receipt by the Trustee at least 10 days prior to the redemption date (or such shorter period as shall be acceptable to the Trustee) of a written request of the Board requesting such redemption.

Section 3.2. Notice of Redemption.

(A) Except as hereinafter provided, a copy of the notice of the call for any redemption identifying the Notes to be redeemed shall be given by first class mail, postage prepaid, not less than seven days prior to the date fixed for redemption and shall be given by first class mail, postage prepaid, or by facsimile transmission. Such notice shall specify the redemption date, the redemption price, the place and manner of payment, and that from the redemption date interest

will cease to accrue on the Notes which are the subject of such notice, and shall include such other information as the Trustee shall deem appropriate or necessary at the time such notice is given to comply with any applicable law, regulation or industry standard. Pursuant to Section 3.1, such notice may state whether the redemption is conditioned upon sufficient funds being available on the redemption date or any other condition, and that failure to deposit such funds shall not constitute an Event of Default under this Indenture; any funds so deposited with the Trustee and held in the Redemption Fund shall be invested solely in Government Obligations maturing no later than the redemption date.

(B) In addition to the requirements of Section 3.2(A), notice of the redemption of Notes or any portion thereof identifying the Notes or portions thereof to be redeemed shall specify (i) the series name and designation and certificate numbers of Notes being redeemed, (ii) CUSIP numbers of the Notes being redeemed, (iii) the principal amount of Notes being redeemed and the redeemed amount for each certificate (for partial calls), (iv) the redemption date, and (v) the redemption price.

(C) Failure to give notice in the manner prescribed in Section 3.2(A) and Section 3.2(B) with respect to any Note, or any defect in such notice, shall not affect the validity of the proceedings for redemption for any Note with respect to which notice was properly given.

(D) If any Note is transferred or exchanged on the note register after notice has been given calling such Note for redemption, the Trustee will attach a copy of such notice to the Note issued in connection with such transfer or exchange.

Section 3.3. Selection of Notes for Redemption. If less than all the Notes shall be called for redemption under any provision of this Indenture permitting or requiring such partial redemption, the particular Notes or portions thereof to be redeemed shall be selected in direct order of their date of issuance and, with respect to Notes having the same date of issuance, by lot in such manner as the Trustee may determine among such Notes, and the portion of any Note to be redeemed shall be in a principal amount equal to an Authorized Denomination. In selecting Notes for redemption, the Trustee shall treat each Note as representing that number of Notes which is obtained by dividing the principal amount of such Note by the minimum Authorized Denomination. If it is determined that one or more, but not all, of the integral multiples of the Authorized Denomination of principal amount represented by any Note is to be called for redemption, then, upon notice of intention to redeem such integral multiple of an Authorized Denomination, the Owner of such Note shall forthwith surrender such Note to the Trustee for (a) payment to such Owner of the redemption price of the integral multiple of the Authorized Denomination of principal amount called for redemption, and (b) delivery to such Owner of a new Note or Notes in the aggregate principal amount of the unredeemed balance of the principal amount of such Note. New Notes representing the unredeemed balance of the principal amount of such Note shall be issued to the Owner thereof without charge therefor.

Section 3.4. Deposit of Funds. For the redemption of any of the Notes, the Board shall cause to be deposited in the Redemption Fund or if determined by the Board to be necessary or appropriate, in a separate escrow account to be established by the Board with the Trustee, moneys sufficient to pay when due the principal of, and premium, if any, and interest

on, the Notes to be redeemed on the applicable redemption date, which moneys shall be applied in accordance with the provisions hereof.

ARTICLE IV

Pledge of Trust Estate and Applications of Funds

Section 4.1. The Pledge Effectuated by this Indenture. There are hereby pledged for the payment of the principal of and interest on the Notes in accordance with their respective terms and the provisions of this Indenture, and a lien is hereby granted for such purpose, for the purposes and on the terms and conditions set forth in this Indenture, on the Trust Estate as described in the Granting Clauses hereto.

Pursuant to Section 13 of the Act, the moneys, securities and properties hereby pledged and received by the Board shall immediately be subject to the lien and pledge hereof without any physical delivery or further act, and the lien and pledge hereof shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Board, irrespective of whether such parties have notice hereof.

The Notes are limited obligations of the Board payable from the Pledged Tax Receipts and do not represent or constitute a debt of the Board within the meaning of any constitutional or any statutory limitation. Neither the full faith and credit nor the taxing power of the Board is pledged to the payment of the Notes.

Section 4.2. Establishment of Funds. The Debt Service Fund, the Repaid Advance Fund, the Redemption Fund and the Program Fund are hereby established as special funds of the Board to be held by the Trustee.

Section 4.3. Deposit and Application of Pledged Tax Receipts.

(A) All Pledged Tax Receipts shall be deposited with the Escrow Agent for application in accordance with the Tax Escrow Agreement. All Pledged Tax Receipts paid to the Trustee shall be deposited immediately into the Debt Service Fund.

(B) (i) On each Business Day prior to the Maturity Date on which the sum held in the Debt Service Fund is equal to or more than the sum of the interest accrued and unpaid on all Outstanding Notes and (ii) on the Maturity Date, the Trustee shall apply the moneys in the Debt Service Fund in the following order of priority:

First: to the Noteholders, for the payment of the accrued and unpaid interest on their Notes.

Second: to the Noteholders, for the prepayment of principal of their Notes in direct order of the date of issuance of their Notes and pro-rata among Notes having the same date of issuance when the sum available is not sufficient to retire all of such Notes having the same date of issuance, *provided, however* that

the principal amount paid of any Note prepaid in part shall be in an amount equal to an Authorized Denomination.

Third: pursuant to the directions of a Designated Official, to the Purchaser, the amount of any accrued and unpaid fees for the unutilized amount under the Credit Agreement.

Fourth: to the Board, any amount remaining in the Debt Service Fund after the payment of all interest on and principal of the Notes as provided in Clause First, Clause Second and Clause Third of this paragraph.

(C) On any Business Day that no Notes are then Outstanding and no requested Advance is awaiting funding, any moneys held in the Debt Service Fund and any Pledged Tax Receipts received by the Trustee on that Business Day shall immediately be paid to the Board, free from the lien of this Indenture.

(D) On each Business Day on which money is paid to the Board pursuant to Section 4.3(B) or Section 4.3(C), the Trustee shall provide to the City Treasurer of the City of Chicago, as custodian of the Board's tax moneys, notice of the date and amount of such payment to the Board.

Section 4.4. Repaid Advance Fund. Amounts paid to the Trustee by the Board and accompanied by a Certificate and Direction Regarding Repaid Advances shall be deposited into the Repaid Advance Fund for transfer to the Purchaser, as directed in such Certificate and Direction.

Section 4.5. Redemption Fund. Amounts paid to the Trustee by the Board for the redemption of Notes shall be deposited into the Redemption Fund and applied on the applicable redemption date for the payment of the redemption price and accrued interest on the Notes to be redeemed pursuant to Section 3.1.

Section 4.6. Program Expense Fund. The Board may, at its option, deposit moneys in the Program Expense Fund from time to time. Any moneys on deposit in the Program Expense Fund shall be paid out by the Trustee, at the direction of the Board, to pay cost of issuance of the Notes, and to pay the ongoing fees of the Purchaser, including fees for the unutilized amount under the Credit Agreement, and the Fiduciaries as and when such fees come due. Notwithstanding the foregoing, the Board may at any time direct the Trustee to withdraw any or all amounts on deposit in the Program Expense Fund and the Trustee shall promptly pay such amounts to the Board.

ARTICLE V

Investments of Funds

Section 5.1. Investment of Moneys.

(A) Moneys held in the Debt Service Fund, Repaid Advance Fund, Redemption Fund and Program Expense Fund shall be invested and reinvested by the Trustee at the written direction of a Designated Official in Investment Securities within the parameters of the Investment Policy which mature no later than necessary to provide moneys when needed for payments to be made from such Fund. The Trustee may conclusively rely upon such instructions as to both the suitability and legality of the directed investments. Nothing contained in this Indenture shall be construed to prevent such Designated Official from directing the Trustee to make any such investments or reinvestments through the use of a Forward Supply Contract, to the extent permitted by Illinois law and the Investment Policy, and the Trustee shall comply with the terms and provisions of any such Forward Supply Contract or Repurchase Agreement. The Trustee may make any and all such investments through its trust department or the note department of any bank or trust company under common control with the Trustee. The Board has provided a certified copy of the Investment Policy to the Trustee in connection with the initial delivery of the Notes and the Board covenants and agrees to provide to the Trustee in a timely fashion any amendments to or revisions of such Investment Policy. The Trustee shall be entitled to conclusively rely on the Investment Policy provided to it by the Board as the Investment Policy in effect at the time any investment is made. All investment income shall be retained in the Fund to which the investment is created from which such income is derived.

(B) The Board covenants and agrees that all investments made under this Indenture shall be consistent with the expectations expressed in the Tax Agreement.

(C) The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. In the absence of investment instructions from the Board, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested in Investment Securities. The Trustee shall notify the Board in the event any moneys are being held uninvested pursuant hereto. The Trustee shall not be liable or responsible for the performance or adverse tax consequences of, or any losses on, any investment made pursuant to this Section. Although the Board recognizes that they may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Board hereby agrees that confirmations of Investment Securities are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

Section 5.2. Valuation and Sale of Investments.

(A) Investment Securities in any Fund created under the provisions of this Indenture shall be deemed at all times to be part of such Fund and any profit realized from the liquidation

of such investment shall be credited to such Fund and any loss resulting from liquidation of such investment shall be charged to such Fund.

(B) Valuations of Investment Securities held in the Funds established hereunder shall be made by the Trustee as often as may be necessary or requested by the Board to determine the amounts held therein. In computing the amounts in such Funds, Investment Securities therein shall be valued as provided in Section 5.2(C).

(C) The value of Investment Securities shall mean the fair market value thereof, *provided, however*, that all SLGS shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable.

(D) Except as otherwise provided in this Indenture, the Trustee at the written direction of a Designated Official shall sell at the best price reasonably obtainable, or present for redemption, any Investment Securities held in any Fund held by the Trustee whenever it shall be necessary to provide moneys to meet any payment or transfer from such Fund as the case may be.

ARTICLE VI

Particular Covenants and Representations of the Board

Section 6.1. Payment of Notes.

(A) The Board covenants and agrees that it will pay solely from the Pledged Tax Receipts the principal of every Outstanding Note and the interest thereon, at the places, on the dates and in the manner provided in this Indenture, the Credit Agreement and in the Notes.

(B) If the maturity of any Note or installment of interest shall be extended pursuant to the written consent of the Owner thereof, such Note or installment of interest shall not be entitled, in case of any default under this Indenture, to the benefit of this Indenture or to payment out of the Trust Estate (except moneys held in trust for the payment of such Note or installment of interest) until the prior payment of the principal of all Notes Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Notes as shall not be represented by such extended claims for interest.

Section 6.2. Further Assurance. At any and all times the Board shall, as far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming, all and singular, the rights, and the Pledged Tax Receipts and other moneys, securities and funds hereby pledged or assigned, or which the Board may become bound to pledge or assign.

Section 6.3. Power to Issue Notes and Pledge Trust Estate. The Board is duly authorized under all applicable laws to issue the Notes, to execute and deliver this Indenture, to

pledge the Pledged Tax Receipts and to grant the lien granted by this Indenture thereon in the manner and to the extent provided in this Indenture. The Notes and the provisions of this Indenture are and will be valid and legally enforceable limited obligations of the Board in accordance with their terms and the terms of this Indenture, except to the extent enforceability may be limited by bankruptcy, insolvency and other laws affecting conditions, rights or remedies and the availability of equitable remedies generally. The Board covenants that upon the date of issuance of any of the Notes, all conditions, acts and things required by the Constitution and laws of the State of Illinois and this Indenture to exist, to have happened and to have been performed precedent to or in the issuance of such Notes shall exist, have happened and have been performed. The Board shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of and lien on the Pledged Tax Receipts and all the rights of the Owners in and to such the Pledged Tax Receipts against all claims and demands.

Section 6.4. Tax Anticipation Notes. The Board reserves the right to issue Series 2014B Notes and Additional Notes payable from all or any portion of the Pledged Taxes, and any such Series 2014B Notes and Additional Notes shall share ratably and equally in the Pledged Tax Receipts with the Notes; *provided, however,* that (i) no Tax Anticipation Notes shall be issued later than the 15th day next following the Tax Penalty Date and (ii) no Tax Anticipation Notes shall be issued if, as of the time immediately following the issuance of such Tax Anticipation Notes, the aggregate principal amount of outstanding Tax Anticipation Notes would exceed seventy five percent (75%) of the uncollected Pledged Taxes..

Section 6.5. Covenants Regarding Pledged Taxes. The Board has directed the County Collectors to deposit all collections of the Pledged Taxes directly with the Escrow Agent for application in accordance with the provisions of the Tax Escrow Agreement. As long as any of the Notes remain Outstanding, the Board will not modify or amend such direction or the terms of the Tax Escrow Agreement, except for such modifications or amendments as may be necessitated by changes in State law, procedures, rules or regulations thereunder with respect to the collection and distribution of ad valorem property taxes; *provided*, that no such modification or amendment shall provide for the deposit with the Escrow Agent of less than all of the Pledged Taxes. The Board shall notify the Purchaser of any such modification or amendment. As long as there are any Outstanding Notes, the Board and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be collected, deposited and applied as described in the Indenture.

Section 6.6. Accounts and Reports. The Board shall keep and cause the Escrow Agent to keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Pledged Tax Receipts, and which, together with all other books and financial records of the Board, shall at all reasonable times be available for the inspection of the Trustee and the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Outstanding Notes or their representatives duly authorized in writing.

Section 6.7. Arbitrage. The Board shall not at any time permit any of the proceeds of the Notes or any other funds of the Board to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Note to be an "*arbitrage bond*" as defined in Section 148 of the Internal Revenue Code of 1986, as amended.

ARTICLE VII

Defaults and Remedies

Section 7.1. Events of Default. Each of the following events is hereby declared to be an "*Event of Default*":

- (1) if a default shall occur in the due and punctual payment of interest on any Note when and as such interest shall become due and payable;
- (2) if a default shall occur in the due and punctual payment of the principal or Redemption Price of any Note when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise not otherwise an Event of Default;
- (3) if a default shall occur in the performance or observance by the Board of any other of the covenants, agreements or conditions in this Indenture or in the Notes contained, and such default shall continue for a period of sixty (60) days after written notice thereof to the Board by the Trustee or the Purchaser or after written notice thereof to the Board and to the Trustee by the Owners of not less than a majority in aggregate principal amount of the Outstanding Notes, provided that if the nature of the default is such that it cannot be cured within the initial 60-day cure period but can be cured within an additional period of not to exceed 60 days from the end of the initial 60-day cure period, no event of default shall occur if the Board institutes corrective action within the initial 60-day cure period and diligently pursues such action until the default is corrected (provided such default is corrected within the additional 60-day period described above);
- (4) if the Board shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws or under any other applicable law or statute of the United States of America or of the State of Illinois; or
- (5) if, the Trustee receives a written notice from the Purchaser of the occurrence of an Event of Default under the Credit Agreement.

Section 7.2. Proceedings Brought by Trustee.

(A) If an Event of Default shall occur and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon identical written request of the Owners of not less than a majority in aggregate principal amount of the Notes Outstanding and upon being indemnified to its satisfaction shall proceed, to protect and enforce its rights and the rights of the Owners of the Notes under the Notes or this Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Board as if the Board were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Indenture or enforce any of the rights or interests of the Owners of the Notes under the Notes or this Indenture. The Trustee

shall proceed at the written direction of the Purchaser to protect and enforce its rights and such rights of the Purchaser after being furnished with reasonable security and indemnity.

(B) All rights of action (including without limitation, the right to file proof of claims) under this Indenture may be enforced by the Trustee without the possession of any of the Notes or the production thereof in any suit or other proceeding, and any such suit or other proceeding instituted by the Trustee shall be brought in its name.

(C) All actions against the Board under this Indenture shall be brought in a state or federal court located in the State.

(D) The Owners of not less than a majority in aggregate principal amount of the Notes at the time Outstanding may direct the time, method and place of conducting any proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or for the enforcement of any remedy available to the Trustee, or for the exercise any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Owners not parties to such direction.

(E) Upon commencing any suit at law or in equity or upon commencement of other judicial proceedings by the Trustee to enforce any right under this Indenture, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

(F) Regardless of the happening of an Event of Default, the Trustee shall have power, but unless requested in writing by the Owners of a majority in aggregate principal amount of the Notes then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to institute and maintain such suits and proceedings as may be necessary or expedient to prevent any impairment of the security under this Indenture and to preserve or protect its interests and the interest of the Owners; *provided, however,* the Trustee shall act upon the direction of the Purchaser after being furnished with reasonable security and indemnity.

(G) During the continuance of an Event of Default, the Trustee shall apply all Pledged Tax Receipts paid to the Trustee and the income therefrom as follows and in the following order:

(1) to the payment of the reasonable and proper charges and expenses of the Trustee, including the reasonable fees and expenses of counsel employed by it; it being understood that payment of such charges and expenses shall not be made from any moneys already held for the payments of the principal of, interest on and or purchase price of Notes that were not presented for payment when due.

(2) to the payment of the principal of, Redemption Price and interest on the Notes then due, as follows:

First: to the payment to the persons entitled thereto of all installments of interest then due on the Notes in the order of the maturity of such installments,

together with accrued and unpaid interest on the Notes theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments of interest maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference (*provided, however*, that no payment shall be made with respect to Notes owned by the Board); and

Second: to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Notes which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Notes due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; and

(H) If and whenever all overdue installments of principal and Redemption Price of and interest on, Notes, together with the reasonable and proper charges and expenses of the Trustee, and all other overdue sums payable by the Board under this Indenture, including the overdue principal and Redemption Price of and accrued unpaid interest on, all Notes held by or for the account of the Board, or provision satisfactory to the Trustee shall be made for such payments, all defaults under this Indenture or the Notes shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Board all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of this Indenture to be deposited or pledged, with the Trustee), and thereupon the Board, the Trustee and the Owners shall be restored, respectively, to their former positions and rights under this Indenture. No such payment to the Board by the Trustee nor such restoration of the Board and the Trustee to their former positions and rights shall extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

(I) Whenever moneys are to be applied pursuant to the provisions of this Section, the Trustee may, in its discretion, establish and maintain a reserve for future fees and expenses, and may apply moneys to be distributed at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix a date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates, and for which moneys are available, shall cease to accrue. The Trustee shall also select a Record Date for such payment date. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any moneys and of the fixing of any such Record Date and payment date, and shall not be required to make payment to the Owner of any Note until such Note shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

(J) Under no circumstance may the Trustee declare the principal of or interest on the Notes to be due and payable prior to the Maturity Date following the occurrence of an Event of Default under this Indenture.

(K) If an Event of Default shall occur and shall not have been remedied, then the Notes shall bear interest at the Default Rate.

Section 7.3. Restriction on Owners' Actions.

(A) No Owner of any Note shall have any right to institute any suit or proceeding at law or in equity for the enforcement or violation of any provision of this Indenture or the execution of any trust under this Indenture or for any remedy under this Indenture, unless such Owner shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Owners of at least a majority in aggregate principal amount of the Notes then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in this Indenture or by the laws of Illinois or to institute such suit or proceeding in its own name, and unless such Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or failed to comply with such request within sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Owners of Notes shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by this Indenture or to enforce any right under this Indenture, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and for the equal benefit of all Owners of the Outstanding Notes.

(B) Nothing in this Indenture or in the Notes contained shall affect or impair the right of action of any Owner to enforce such payment of its Note from the sources provided herein.

Section 7.4. Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Owners is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity or by statute on or after the date of the execution and delivery of this Indenture.

Section 7.5. Effect of Waiver and Other Circumstances. No delay or omission of the Trustee or any Owner to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein. The Owners of not less than two-thirds in aggregate principal amount of the Notes at the time Outstanding, or their attorneys-in-fact duly authorized may on behalf of the Owners of all of the Notes waive any past default under this Indenture and its consequences, except a default in the payment of interest on or principal or Redemption Price of any of the Notes when due. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

ARTICLE VIII

Regarding the Fiduciaries

Section 8.1. Trustee Appointment and Acceptance of Duties. The Trustee hereby accepts and agrees to the trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the Board agrees and the respective Owners of the Notes, by their purchase and acceptance thereof, agree. Except during the continuance of an Event of Default, the Trustee undertakes such duties and only such duties as are specifically set forth in this Indenture.

Section 8.2. Paying Agents; Appointment and Acceptance of Duties. The Trustee is hereby appointed Paying Agent for the Notes. The Board may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 8.14 for a successor Paying Agent. The Trustee hereby accepts the duties and obligations imposed upon it as Paying Agent by this Indenture. Each other Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Board and to the Trustee a written acceptance thereof.

Section 8.3. Registrar; Appointment and Acceptance of Duties. The Trustee is hereby appointed Registrar for the Notes. The Board may at any time or from time to time appoint one or more other Registrars having the qualifications set forth in Section 8.15 for a successor Registrar. The Trustee hereby accepts the duties and obligations imposed upon it as Registrar by this Indenture. Each other Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Board and to the Trustee a written acceptance thereof.

Section 8.4. Responsibilities of Fiduciaries.

(A) The recitals of fact herein and in the Notes contained shall be taken as the statements of the Board and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Indenture or of any Notes issued hereunder or as to the security afforded by this Indenture, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for any representation contained in its certificate on the Notes. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Board or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified to its reasonable satisfaction. Subject to the provisions of paragraph (B) of this Section, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

(B) In case an Event of Default has occurred and has not been remedied, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Any provision of this Indenture relating

to action taken or to be taken by the Trustee, any other capacity the Trustee may serve hereunder or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section.

(C) The Trustee is under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Owners of the Notes unless such Owners have offered to the Trustee security or indemnity satisfactory to the Trustee as to its terms, coverage, duration, amount and otherwise with respect to the costs, expenses and liabilities which may be incurred by it in compliance with such request or direction, and the provision of such indemnity shall be mandatory for any remedy taken upon direction of the Owners of 25% in aggregate principal amount of the Notes.

(D) The Trustee is not required to make any inquiry or investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, note, debenture or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and, if the Trustee determines to make such further inquiry or investigation, it is entitled to examine the books, records and premises of the Board, in person or by agent or attorney.

(E) The Trustee may execute any of its trusts or powers or perform any duties under this Indenture either directly or by or through agents or attorneys, and may in all cases pay, subject to reimbursement as provided in this Indenture, such reasonable compensation as it deems proper to all such agents and attorneys reasonably employed or retained by it.

(F) Notwithstanding the effective date of this Indenture or anything to the contrary in this Indenture, the Trustee shall have no liability or responsibility for any act or event relating to this Indenture which occurs prior to the date the Trustee formally executes this Indenture and commences acting as Trustee hereunder.

(G) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Notes, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Notes. The Trustee shall not be liable or responsible in connection with the issuance of the Notes as obligations the interest on which is excludable from gross income for Federal income tax purposes or for the subsequent maintenance of the tax-exempt status of such interest.

(H) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

Section 8.5. Evidence on Which Fiduciaries May Act.

(A) Each Fiduciary shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, opinion (including a Counsel's Opinion), note or other paper or document furnished to it pursuant to and conforming to the requirements of this Indenture, and believed by it to be genuine and to have been signed or presented by the proper party or parties.

(B) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter (unless this Indenture specifically requires other evidence thereof) may be deemed to be conclusively proved and established by a certificate of a Designated Official, but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

(C) Except as otherwise expressly provided in this Indenture, any request, order, notice or other direction required or permitted to be furnished by the Board to any Fiduciary shall be sufficiently executed if signed by a Designated Official.

(D) The Trustee may consult with counsel and the written advice of such counsel or an Opinion of Counsel shall be full and complete authorization and protection for any action taken, suffered or omitted by it in good faith and in accordance with such advice or opinion.

(E) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Owners of Notes, each representing less than a majority in aggregate principal amount of the Notes Outstanding, pursuant to the provision of this Indenture, the Trustee, in its sole discretion, may determine what actions, if any, shall be taken.

(F) The Trustee shall have the right to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, *provided, however,* that the Board shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such instructions and containing specimen signatures of such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Board agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 8.6. Compensation. Unless otherwise determined by contract between the Board and each Fiduciary, the Board shall pay to each Fiduciary from time to time reasonable compensation as may be mutually agreed upon by the Board and the Fiduciary for all services rendered under this Indenture. The Board shall pay each Fiduciary for any extraordinary services or expenses performed or incurred by the Trustee in connection with its duties under this Indenture if, to the extent reasonably possible, notified in writing prior to the performance of those services or the incurring of those expenses so as to allow the Board to appropriate sufficient funds for their payment.

Section 8.7. Certain Permitted Acts. Any Fiduciary may become the Owner of any Notes, with the same rights it would have if it did not act in any capacity hereunder. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the

enforcement of the Notes or this Indenture, whether or not any such committee shall represent the Owners of a majority in aggregate principal amount of the Notes then Outstanding.

Section 8.8. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving not less than sixty (60) days' written notice to the Board, all Owners of the Notes and the other Fiduciaries, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed by the Board or the Owners as provided in Section 8.10 and shall have accepted such appointment, in which event such resignation shall take effect immediately on the acceptance of such appointment by such successor whether or not the date specified for such resignation to take effect has arrived. If a successor Trustee shall not have been appointed and accepted such appointment within a period of sixty (60) days following the giving of notice, then the Trustee, at the expense of the Board, shall be authorized to petition any court of competent jurisdiction to appoint a successor Trustee as provided in Section 8.10.

Section 8.9. Removal of Trustee; Consent of Owners. The Trustee may be removed at any time, with written notice to the Purchaser, by an instrument in writing approved by and executed in the name of the Board and delivered to the Trustee; *provided, however*, that if an Event of Default shall have occurred and be continuing, the Trustee may be so removed by the Board only with the written concurrence of the Owners of a majority in aggregate principal amount of Notes then Outstanding (excluding Notes held by or for the account of the Board). The Trustee may be removed at any time by the Owners of a majority in aggregate principal amount of the Notes then Outstanding, excluding any Notes held by or for the account of the Board, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners or their attorneys-in-fact duly authorized, and delivered to the Board. Copies of each such instrument shall be delivered by the Board to each Fiduciary.

Section 8.10. Appointment of Successor Trustee.

(A) In case at any time the Trustee shall resign, be removed or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer or court shall take charge or control of the Trustee, or of its property or affairs, the Board shall appoint a successor Trustee. The Board shall cause notice of any such appointment made by it to be mailed to all Owners of the Notes.

(B) If no appointment of a Trustee shall be made by the Board within sixty (60) days following such resignation or removal pursuant to the foregoing provisions of this Section 8.10, the Trustee or the Owner of any Note Outstanding hereunder may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

(C) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national bank association, doing business and having a corporate trust office in the State of Illinois, and having capital stock and surplus aggregating at least \$15,000,000, or shall be a wholly-owned subsidiary of such an entity, if there be such a bank, trust company, national banking association or subsidiary willing and able to accept the

office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(D) Notwithstanding any of the provisions of this Article VIII to the contrary concerning the resignation or removal of the Trustee or the appointment of a successor Trustee, no such resignation, removal or appointment shall be effective until the successor Trustee accepts its appointment.

Section 8.11. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Board, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee; but the predecessor Trustee shall nevertheless, on the written request of the Board or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurances and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all its right, title and interest in and to any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument from the Board be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such moneys, estates, properties, rights, powers and duties, such deed, conveyance or instrument shall be executed, acknowledged and delivered by the Board. Any such successor Trustee shall promptly notify any other Fiduciary of its appointment as Trustee.

Section 8.12. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which all or substantially all of the corporate trust business of any Fiduciary may be sold or transferred, shall be the successor to such Fiduciary and be bound to the obligations and duties of such Fiduciary hereunder without the execution or filing of any paper or the performance of any further act, unless such successor delivers written notice of its resignation pursuant to the provisions of this Article; *provided, however*, that such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Indenture.

Section 8.13. Adoption of Authentication. In case any of the Notes shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Notes and deliver such Notes so authenticated; and in case any of the said Notes shall not have been authenticated, any successor Trustee may authenticate such Notes in the name of the predecessor Trustee or in its own name.

Section 8.14. Resignation or Removal of Paying Agent and Appointment of Successor.

(A) Any Paying Agent may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving at least sixty (60) days' written notice to

the Board and the other Fiduciaries, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed as provided herein. Any Paying Agent appointed by the Board may be removed at any time by an instrument signed by a Designated Official and filed with such Paying Agent and the Trustee. Upon receiving such a notice of resignation, or in case at any time such Paying Agent shall cease to be eligible under this Section, the Board shall promptly appoint a successor Paying Agent, shall give written notice of such appointment to each Fiduciary and shall mail notice of such appointment to all Owners of Notes. Any successor Paying Agent shall be a bank with trust powers or a trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least \$15,000,000, or shall be a wholly-owned subsidiary of such an entity, willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(B) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee and shall be subject to audit of all of its books, records and accounts with respect to the Notes. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 8.15. Resignation or Removal of Registrar and Appointment of Successor.

(A) Any Registrar may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving at least sixty (60) days' written notice to the Board and the other Fiduciaries, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed as provided herein. Any Registrar may be removed at any time by an instrument signed by a Designated Official and filed with such Registrar and the Trustee. Any successor Registrar shall be appointed by the Board and shall be a bank, trust company or national banking association doing business and having an office in the State of Illinois or in the Borough of Manhattan, in the City and State of New York, if there be such a bank, trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(B) In the event of the resignation or removal of any Registrar, such Registrar shall deliver all books, records and other property including the note register of the Board to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Registrar, the Trustee shall act as such Registrar.

Section 8.16. Trustee Not Deemed to Have Notice of Default. The Trustee shall not be deemed to have notice of any default hereunder except a default under Section 7.1(1), (2) or (3) unless any officer in its corporate trust office shall have actual knowledge thereof or the Trustee shall be specifically notified in writing of such default by the Board, or by the Owners of not less than a majority in principal amount of the Notes Outstanding; and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the corporate trust office of the Trustee.

Section 8.17. Monthly Report by Trustee. Within twenty (20) days after the end of each calendar month, the Trustee shall prepare a written report for each Fund, Account and Sub-Account held by it pursuant to the provisions of this Indenture. Such report shall set out the receipts and disbursements, both principal and income, and shall list the Investment Securities held by the Trustee at the end of the month. A copy of each such report shall be furnished to the Board and any persons designated by the Board.

In addition, the Trustee shall, at any time when requested, furnish to the Board and any persons designated by the Board a report of the amount of moneys, including Investment Securities, held in each Fund by the Trustee. For purposes of this certification, the Investment Securities in each such Fund shall be treated as having a value equal to their aggregate market value as of the date of the request.

ARTICLE IX

Supplemental Indentures

Section 9.1. Supplemental Indentures Not Requiring Consent of Owners. The Board and the Trustee may without the consent of, or notice to, any of the Owners, enter into a Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (1) to impose additional covenants or agreements to be observed by the Board;
- (2) to impose other limitations or restrictions upon the Board;
- (3) to surrender any right, power or privilege reserved to or conferred upon the Board by this Indenture;
- (4) to confirm, as further assurance, any pledge of or lien upon the Pledged Tax Receipts or any other moneys, securities or funds;
- (5) to make any necessary amendments to or to supplement this Indenture in connection with the issuance of Additional Notes as authorized herein;
- (6) to cure any ambiguity, omission or defect in this Indenture;
- (7) to provide for the appointment of a successor Securities Depository;
- (8) to provide for the appointment of any successor Fiduciary;
- (9) to provide for certificated Notes; and
- (10) to make any other change which, in the judgment of the Trustee, does not materially adversely affect the rights of the Trustee or the Owners.

Section 9.2. Supplemental Indentures Effective Upon Consent of Owners. Any Supplemental Indenture not effective in accordance with Section 9.1 shall take effect only if permitted and approved and in the manner prescribed by Article X.

Section 9.3. Filing of Counsel's Opinion. Each Supplemental Indenture described in Section 9.1 shall be accompanied, when filed with the Trustee, by a Counsel's Opinion to the effect that such Supplemental Indenture has been duly authorized by the Board in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when executed and delivered, will be valid and binding upon the Board, the Owners and the Trustee.

ARTICLE X

Amendments

Section 10.1. Mailing. Any provision in this Article for the mailing of a notice or other information to Owners shall be fully complied with if it is mailed by first class mail, postage prepaid or delivered, to each Owner of Notes then Outstanding at its address, if any, appearing upon the registration books of the Board kept by the Trustee.

Section 10.2. Powers of Amendment. Exclusive of Supplemental Indentures covered by Section 9.1 and subject to the terms and provisions contained in this Section 10.2, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Notes then Outstanding shall each have the right, from time to time, to (i) consent to and approve the execution by the Board and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Board for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture, or (ii) waive or consent to the taking by the Board of any action prohibited, or the omission by the Board of the taking of any action required, by any of the provisions of this Indenture or of any indenture supplemental hereto; *provided, however*, that nothing in this Section 10.2 or in Section 9.1 contained shall permit or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount or reduction in the rate or extension of the time of paying of interest on, or reduction of any premium payable on the payment or redemption of any Note, (b) except for the pledge of the Pledged Tax Receipts in connection with the issuance of Additional Notes, the creation of any lien prior to or on a parity with the lien of this Indenture, without the consent of the Owners of all the Notes at the time Outstanding, (c) a reduction in the aforesaid aggregate principal amount of Notes, the Owners of which are required to consent to any such waiver or Supplemental Indenture, without the consent of the Owners of all the Notes at the time Outstanding which would be affected by the action to be taken, or (d) a modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, [or (e) the loss of the exclusion from federal gross income of the Owners of the interest paid on the Notes held by a non-consenting Owner to the extent otherwise afforded under the Code and Regulations.]

Section 10.3. Consent of Owners. The Board may at any time authorize the execution and delivery of a Supplemental Indenture making a modification or amendment

permitted by the provisions of Section 10.2, to take effect when and as provided in this Section. Upon the authorization of such Supplemental Indenture, a copy thereof shall be delivered to and held by the Trustee for the inspection of the Owners. A copy of such Supplemental Indenture (or summary thereof or reference thereto in form approved by the Trustee) together with a request to Owners for their consent thereto in form satisfactory to the Trustee, shall be mailed to the Owners, but failure to mail such copy and request shall not affect the validity of such Supplemental Indenture when consented to as in this Section provided. Such Supplemental Indenture shall not be effective unless and until, and shall take effect in accordance with its terms when (a) there shall have been filed with the Trustee (i) the written consents of the Owners of the required aggregate principal amount of Outstanding Notes, and (ii) a Counsel's Opinion stating that the execution and delivery of such Supplemental Indenture has been duly authorized by the Board in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when effective, will be valid and binding upon the Board and the Trustee, and (b) a notice shall have been mailed as hereinafter in this Section provided. A certificate or certificates by the Trustee delivered to the Board that consents have been given by the Owners of the Notes described in such certificate or certificates of the Trustee shall be conclusive. Any such consent shall be binding upon the Owner of the Notes giving such consent and upon any subsequent Owner of such Notes and of any Notes issued in exchange therefor or replacement thereto, whether or not such subsequent Owner has notice thereof; *provided, however*, that any consent may be revoked by any Owner of such Notes by filing with the Trustee, prior to the time when the Trustee's written statement hereafter in this Section referred to is filed, a written revocation, with proof that such Notes are held by the signer of such revocation. The fact that a consent has not been revoked may be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with it. Any consent, or revocation thereof, may be delivered or filed prior to any mailing or publication required by this Article and shall not be deemed ineffective by reason of such prior delivery or filing. Within thirty (30) days of any date on which the consents on file with the Trustee and not theretofore revoked shall be sufficient under this Section, the Trustee shall make and deliver to the Board a written statement that the consents of the Owners of the required aggregate principal amount of Outstanding Notes have been filed with the Trustee. Such written statement shall be conclusive that such consents have been so filed. Any time thereafter notice, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required principal amount of Outstanding Notes and will be effective as provided in this Section, shall be given by mailing to the Owners (but failure to mail such notice or any defect therein shall not prevent such Supplemental Indenture from becoming effective and binding). The Trustee shall deliver to the Board proof of the mailing of such notice. A record, consisting of the information required or permitted by this Section to be delivered by or to the Trustee, shall be proof of the matters therein stated.

Section 10.4. Modifications by Unanimous Action. This Indenture and the rights and obligations of the Board and of the Owners of the Notes may be modified or amended in any respect by a Supplemental Indenture effecting such modification or amendment and with the consents of the Owners of all the Notes then Outstanding, each such consent to be accompanied by proof of the holding at the date of such consent of the Notes with respect to which such consent is given. Such Supplemental Indenture shall take effect upon the filing (a) with the Trustee of (i) a copy thereof, (ii) such consents and accompanying proofs and (iii) the Counsel's Opinion referred to in Section 10.3 and (b) with the Board of the Trustee's written statement that the consents of the Owners of all Outstanding Notes have been filed with it. No mailing or

publication of any Supplemental Indenture (or reference thereto or summary thereof) or of any request or notice shall be required. No such modification or amendment, however, shall change or modify any of the rights or obligations of any Fiduciary without its written consent thereto.

Section 10.5. Exclusion of Notes. Unless all Notes are owned or held by or for the account of the Board, Notes owned or held by or for the account of the Board shall not be deemed Outstanding and shall be excluded for the purpose of any calculation required by this Article. At the time of any consent or other action taken under this Article, the Board shall furnish the Trustee a certificate of a Designated Official, upon which the Trustee may rely, identifying all Notes so to be excluded.

Section 10.6. Notation on Notes. Notes authenticated and delivered after the effective date of any action taken in connection with a Supplemental Advance, Repaid Advance or as in Article IX or this Article provided may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Board and the Trustee as to such action, and upon demand of the Owner of any Note Outstanding at such effective date and presentation of its Note to the Trustee, suitable notation shall be made on such Note by the Trustee as to any such action. If the Board or the Trustee shall so determine, new Notes so modified which, in the opinion of the Trustee and the Board, conform to such action may be prepared, authenticated and delivered, and upon demand of the Owner of any Note then Outstanding shall be exchanged, without cost to such Owner, for such Note then Outstanding.

ARTICLE XI

Miscellaneous

Section 11.1. Defeasance.

(A) If the Board shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Notes the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, then the pledge of the Trust Estate under this Indenture and all covenants, agreements and other obligations of the Board to the Owners shall thereupon be discharged and satisfied. In such event, the Trustee, upon request of the Board, shall provide an accounting of the assets managed by the Trustee to be prepared and filed with the Board for any year or part thereof requested, and shall execute and deliver to the Board all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Board all moneys and securities held by them pursuant to this Indenture which are not required for the payment of Notes not previously surrendered for such payment or redemption. If the Board shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Notes of a particular maturity or portion of any maturity, the principal or Redemption Price, if applicable, thereof and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, such Notes shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Board to the Owners of such Notes and to the Trustee shall thereupon be discharged and satisfied.

(B) Notes or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust by the Trustee at or prior to their maturity or redemption date shall be deemed to have been paid within the meaning of and with the effect expressed in this Section 11.1 if the Board shall have delivered to or deposited with the Trustee (a) irrevocable instructions to pay or redeem all of said Notes in specified amounts no less than the respective amounts of, and on specified dates no later than the respective due dates of, their principal, (b) irrevocable instructions to mail the required notice of redemption of any Notes so to be redeemed, (c) either moneys in an amount which shall be sufficient, or Defeasance Obligations the principal of and the interest on which when due will provide moneys which shall be sufficient, in the opinion of a nationally recognized firm of independent public accountants, without further reinvestment, to pay when due the principal, Redemption Price, if applicable, and interest due and to become due on said Notes on and prior to each specified redemption date or maturity date thereof, as the case may be, and (d) if any of said Notes are not to be redeemed within the next succeeding sixty (60) days, irrevocable instructions to mail to all Owners of said Notes a notice that such deposit has been made with the Trustee and that said Notes are deemed to have been paid in accordance with this Section and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, of said Notes. The Defeasance Obligations and moneys deposited with the Trustee pursuant to this Section shall be held in trust for the payment of the principal or Redemption Price, if applicable, and interest on said Notes. No payments of principal of any such Defeasance Obligations or interest thereon shall be withdrawn or used for any purpose other than the payment of such principal or Redemption Price of, or interest on, unless after such withdrawal the amount held by the Trustee and interest to accrue on Defeasance Obligations so held shall be sufficient to provide fully for the payment of the principal of or Redemption Price and interest on said Notes, at maturity or upon redemption, as the case may be.

(C) The Defeasance Obligations (or any portion thereof) held for the payment of the principal and Redemption Price of and interest on said Notes pursuant to paragraph (B) of this Section may not be sold, redeemed, invested, reinvested or removed from the lien of this Indenture in any manner or other Defeasance Obligations substituted therefor (any such direction to sell, redeem, invest, reinvest, remove or substitute to be referred to as a "*Subsequent Action*") unless prior to the taking of such Subsequent Action, the Trustee shall have received the following: (i) either (a) a certified copy of the proceedings of the Board authorizing the Subsequent Action, or (b) an opinion of counsel for the Board to the effect that such Subsequent Action has been duly authorized by all necessary action on the part of the Board; (ii) an opinion from a nationally recognized firm of independent public accountants to the effect that the Defeasance Obligations and cash available or to be available for payment of the Notes after the taking of the Subsequent Action will remain sufficient to pay, without any further reinvestment thereof, the principal and Redemption Price of and interest on said Notes, the Notes at or prior to their maturity in the manner provided in paragraph (B) of this Section; (iii) an Opinion of Bond Counsel to the effect that the Subsequent Action will not adversely affect any exemption from federal income tax of the interest paid on the Notes to which such Notes are otherwise entitled; and (iv) such other documents and showings as the Trustee may reasonably require.

If after any such Subsequent Action there are any funds on deposit in the escrow account which are not needed by the Trustee for the payment when due of the principal of and interest on said Notes, in accordance with the terms of this Indenture as demonstrated by the sufficiency

opinion or certificate delivered pursuant to clause (ii) of the preceding paragraph, the Trustee shall transfer to the Board free and clear of the lien of the Indenture, to be applied to any lawful purpose in such manner that, in the Opinion of Bond Counsel, will not adversely affect any exemption from federal income tax of the interest paid on the Notes to which such Notes are otherwise entitled.

(D) Any time after any Notes are deemed to be paid pursuant to this Section 11.1, the Board shall not at any time permit any of the proceeds of the Notes or any other funds of the Board to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Note to be an "*arbitrage bond*" as defined in the Code and Regulations.

(E) Each Fiduciary shall continue to be entitled to reasonable compensation for all services rendered under this Indenture, notwithstanding that any Notes are deemed to be paid pursuant to this Section 11.1. Such compensation shall be paid by the Board from lawfully available funds and no Fiduciary shall have a claim against the Trust Estate for such compensation except as may be expressly provided herein.

(F) Anything in this Indenture to the contrary notwithstanding, any moneys held by any Fiduciary in trust for the payment and discharge of any of the Notes which remain unclaimed for two years after the date when such Notes have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for two years after the date of deposit of such moneys if deposited with such Fiduciary after the said date when such Notes become due and payable, shall, at the written request of the Board, be repaid by the Fiduciary to the Board, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Owners of such Notes shall look only to the Board for the payment of such Notes.

Section 11.2. Evidence of Signatures of Owners and Ownership of Notes.

(A) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any Person of the Notes shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) The fact and date of the execution by any Owner or its attorney of such instruments may be proved by a guarantee of the signature thereon by a bank, national banking association or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that, the Person signing such request or other instruments acknowledged to that person the execution thereof, or by an affidavit of witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a Board or association or a member of a

partnership, on behalf of such Board, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of authority.

(2) The ownership of Notes and the amount, numbers and other identification and date of holding the same shall be proved by the registration book maintained by the Trustee or any Registrar.

(B) Any request or consent by the Owner of any Note shall bind all future Owners of such Note in respect of anything done or suffered to be done by the Board or any Fiduciary in accordance therewith.

Section 11.3. Moneys Held for Particular Notes. The amounts held by any Fiduciary for the payment of interest, principal or Redemption Price due on any date with respect to particular Notes shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Notes entitled thereto.

Section 11.4. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of this Indenture, shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Board, any other Fiduciary, and any Owner and their agents and their representatives, any of whom may make copies thereof.

Section 11.5. Cancellation and Destruction of Notes. All Notes paid or redeemed, either at or before maturity, and all mutilated Notes surrendered pursuant to Section 2.6, shall be delivered to the Trustee when such payment or redemption is made or upon surrender, as the case may be, and such Notes, together with all Notes purchased by the Trustee, shall thereupon be promptly canceled. Notes so canceled may at any time be destroyed by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Notes so destroyed, and one executed certificate shall be delivered to the Board and the other retained by the Trustee.

Section 11.6. Parties' Interest Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Board, the Fiduciaries and the Owners of the Notes, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Board shall be for the sole and exclusive benefit of the Board, the Fiduciaries and the Owners of the Notes.

Section 11.7. No Recourse on the Notes.

(A) No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Notes or for any claim based thereon or on this Indenture against any past, present or future member, director, officer, employee or agent of the Board, or any successor, public body or any person executing the Notes, either directly or through the Board, under any rule of law or equity, statute or constitution or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of the Notes.

(B) No member, officer, director, agent or employee of the Board shall be individually or personally liable for the payment of the principal or Redemption Price of or interest on the Notes; but nothing herein contained shall relieve any such member, officer, director, agent or employee from the performance of any official duty provided by law.

(C) All covenants, stipulations, obligations and agreements of the Board contained in this Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Board to the full extent authorized and permitted by the Constitution and laws of the State of Illinois, and no covenants, stipulations, obligations or agreements contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, director, agent or employee of the Board in his or her individual capacity, and no officer executing the Notes shall be liable personally on the Notes or be subject to any personal liability or accountability by reason of the issue thereof. No member, officer, director, agent or employee of the Board shall incur any personal liability in acting or proceeding or in not acting or not proceeding in accordance with the terms of this Indenture.

Section 11.8. Successors and Assigns. Whenever in this Indenture the Board is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Indenture contained by or on behalf of the Board shall bind and inure to the benefit of its successors and assigns whether or not so expressed.

Section 11.9. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Indenture on the part of the Board or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Indenture.

Section 11.10. Notices. Any notice, demand, direction, request or other instruments authorized or required by this Indenture to be given to, delivered to or filed with the Board, the Trustee or the Purchaser shall be deemed to have been sufficiently given, delivered or filed for all purposes of the Indenture if and when sent by registered mail, postage prepaid, return-receipt requested:

To the Board, if addressed to:	Board of Education of the City of Chicago 125 South Clark Street Fourteenth Floor Chicago, Illinois 60601 Attention: Chief Financial Officer Telephone: (773) 553-2595 Email: jjhuang1@cps.edu
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or at such other address as may be designated in writing by the Board to the Trustee; and

To the Trustee, if addressed to: _____

Chicago, Illinois _____

Attention: _____

Telephone: (312) _____

Email: _____

or at such other address as may be designated in writing by the Trustee to the Board.

To the Purchaser, if addressed to: _____

Attention: _____

Telephone: _____

Fax: _____

Email: _____

Section 11.11. Construction. This Indenture and all Supplemental Indentures shall be construed in accordance with, and governed by, the provisions of Illinois law irrespective of its conflict of laws principles.

Section 11.12. Headings Not a Part of This Indenture. Any headings preceding the texts of the several Articles and Sections hereof, and any Table of Contents appended to copies hereof, are solely for convenience of reference and do not constitute a part of this Indenture, nor do they affect its meaning, construction or effect.

Section 11.13. Multiple Counterparts. This Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and all such counterparts shall constitute but one and the same instrument.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the Board of Education of the City of Chicago, has caused this Indenture to be executed in its name and its behalf by its Vice President and attested by its Secretary and _____ has caused this Indenture to be executed in its behalf by an Authorized Officer and its corporate seal to be impressed hereon and attested by an Authorized Officer, all as of the day and year first above written.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: _____
President, Board of Education of the City of
Chicago

Attest:

Secretary, Board of Education of the City of
Chicago

_____, as Trustee

By: _____
Authorized Officer

Attest:

Authorized Officer

Signature Page – Trust Indenture

EXHIBIT A
TO
TRUST INDENTURE

FORM OF NOTE

No. R-1

NOT TO EXCEED
\$_____,000,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
BOARD OF EDUCATION OF THE CITY OF CHICAGO
Educational Purposes Tax Anticipation Notes, Series 2014A

Original Issue Date: _____

Registered Owner: _____

Principal Amount: Not to exceed _____ Dollars (\$_____,000,000),
but only so much as shall equal the sum of the Initial Advance and all
Supplemental Advances made in accordance with the hereinafter
described Indenture, less the aggregate amount of Repaid Advances, as
indicated on Exhibit A hereto.

The BOARD OF EDUCATION OF THE CITY OF CHICAGO (the "Board"), a school district organized and existing under the laws of the State of Illinois, for value received, hereby promises to pay (but only out of the sources hereinafter provided) to the registered owner identified above, or registered assigns, on the maturity date specified herein, unless this Note shall have been called for redemption and payment of the redemption price shall have been duly made or provided for, upon presentation and surrender hereof, the principal sum specified above, and to pay (but only out of the sources hereinafter provided) interest on the balance of said principal sum from time to time remaining unpaid from and including the original issue date specified above, or from and including the most recent Interest Payment Date (as defined in the hereinafter-defined Indenture) with respect to which interest has been paid or duly provided for, until payment of said principal sum has been made or duly provided for.

Reference is hereby made to the further provisions of this Note set forth below, and such further provisions shall for all purposes have the same effect as if set forth at this place.

It is hereby certified, recited and declared that this Note is issued in part pursuant to the Local Government Debt Reform Act and that all acts and conditions required to be done, exist and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Note have been performed in due time, form and manner as required by law; that the indebtedness of the Board, including the issue of Notes of which this is one, does not exceed any limitation imposed by law.

This Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, the Board of Education of the City of Chicago has caused this Note to be signed in its name and on its behalf by the manual or duly authorized facsimile signature of its President and attested by the manual or duly authorized facsimile signature of its Secretary, all as of the Dated Date identified above.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: _____
President, Board of Education of the City of
Chicago

Attest:

Secretary, Board of Education of the City of
Chicago

[Form of Certificate of Authentication]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes described in the within-mentioned Indenture.

Date of Authentication and Delivery: _____, as Trustee

_____, 20_____
By: _____
Authorized Signatory

Payments. Interest on Notes shall be payable on each Interest Payment Date. The principal of the Notes shall be payable in applicable amounts on each Principal Payment Date.

The principal and interest on the Notes shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

Payment of interest on Notes shall be paid on each Interest Payment Date to the person appearing on the note register as the Owner thereof as of the close of business of the Trustee on the Record Date (i) to the Purchaser by Automated Clearing House transfer and (ii) to any other Owner by wire transfer to such Owner to the wire transfer address within the United States to which such Owner wishes to have such wire directed, as most recently provided to the Trustee not later than the Business Day next preceding the Record Date. Payment of principal on any Note shall be made on the applicable Principal Payment Date, to the Owner as of the close of business of the Trustee on the Record Date, (i) to the Purchaser by Automated Clearing House transfer and (ii) to any other Owner by wire transfer to such Owner on the applicable Principal Payment Date at the wire transfer address within the United States as most recently provided to the Trustee not later than the Business Day next preceding the Record Date.

Interest accrued on the Notes shall be paid in arrears on each Interest Payment Date. Interest on the Notes shall be computed [upon the basis of a 360-day year and the actual number of days elapsed.]

General. This Note is one of a duly authorized issue of not to exceed \$ _____ aggregate principal amount Educational Purposes Tax Anticipation Notes, Series 2014A, of the Board (the "Notes"). The Notes are issued pursuant to, under authority of and in full compliance with the Constitution and laws of the State of Illinois, including the School Code and the Local Government Debt Reform Act of the State of Illinois, as amended (the "Act") and a Trust Indenture dated as of _____ 1, 2014 (the "Indenture"), by and between the Board and the Trustee. The Notes are being issued in anticipation of property taxes levied by the Board for educational purposes for the 2014 tax levy year.

Limited Obligations. The Notes are limited obligations of the Board and are payable solely from Pledged Tax Receipts, as defined in the Indenture, provided that the pledge of Pledged Tax Receipts with respect to the Notes is on a parity with the pledge thereof as security for the payment of other tax anticipation notes of the Board. Neither the full faith and credit nor

the taxing power of the Board is pledged to the payment of the principal of or interest on the Notes.

Maturity Date. The maturity date of this Note is (i) October 1, 2015, if the Tax Penalty Date is on or prior to August 3, 2015 or (ii) the 60th day following the Tax Penalty Date if the Tax Penalty Date is later than August 3, 2015 but earlier than November 2, 2015 and (iii) December 31, 2015, if the Tax Penalty Date is on or later than November 2, 2015.

Interest Rates. The Notes shall bear interest at an Index Floating Rate as provided in the Indenture. Under circumstances specified in the Indenture the Notes may bear interest at a Taxable Rate or a Default Rate.

Maximum Interest Rate. At no time shall the Notes bear interest at a rate higher than the Maximum Interest Rate.

Redemption and Prepayment. The Notes are subject to redemption at the option of the Board, prepayment at the option of the Board and mandatory prepayment by the application of Pledged Tax Receipts deposited into the Debt Service Fund prior to maturity, as a whole or in part, at any time at par and without premium upon the terms and conditions set forth in the Indenture.

Registration. This Note is transferable by the registered owner hereof in person or by such registered owner's attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture. Defeasance. Provision for payment of all or any portion of the Notes may be made, and the Indenture may be discharged, prior to payment of the Notes in the manner provided in the Indenture.

Miscellaneous. The registered owner of this Note shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Copies of the Indenture are on file at the designated office of the Trustee, and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof is made for a description of the pledge and covenants securing the Notes, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the registered owners of the Notes, and the limitations on such rights and remedies.

Terms used in this Note shall have the same meanings as set forth in the Indenture.

ASSIGNMENT

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

UNIF GIFT MIN ACT -

TEN COM	- as tenants in common	Custodian
TENANT	- as tenants by the entireties	
JT TEN	- as joint tenants with right of survivorship and not as tenants in common	(Cust) (Minor) under Uniform Gifts to Minors Act (State)

Additional abbreviations may also be used though not in the above list

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

this Note of the Board of Education of the City of Chicago and does hereby irrevocably constitute and appoint

to transfer said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Signature:

Signature Guaranteed:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of this Note in every particular, without alteration or enlargement or any change whatever.

EXHIBIT A

TO
NOT TO EXCEED \$____,000,000
BOARD OF EDUCATION OF THE CITY OF CHICAGO
EDUCATIONAL PURPOSES TAX ANTICIPATION NOTES, SERIES 2014A

<u>Amount of Advance</u>	<u>Date of Advance</u>	<u>Principal Repaid</u>	<u>Outstanding Principal Balance</u>
\$_____			\$_____

EXHIBIT B
TO
TRUST INDENTURE

FORM OF
INSTRUCTIONS FROM BOARD
REGARDING SUPPLEMENTAL ADVANCE

_____, as Trustee
Chicago, Illinois

BMO Harris Bank N.A., as Purchaser
Chicago, Illinois

Re: Supplemental Advance under Board of Education of the City of Chicago
Educational Purposes Tax Anticipation Notes, Series 2014A

Reference is made to the Trust Indenture dated as of _____ 1, 2014 (the "Indenture") between the Board of Education of the City of Chicago (the "Board") and _____, as Trustee (the "Trustee"). Terms not otherwise defined herein shall have the meanings as set forth in the Indenture.

Pursuant to Section 2.10(B) of the Indenture, the Board hereby instructs the Trustee to undertake the following:

1. Issue \$ _____ principal amount of Notes (the "Supplemental Advance") on _____ (the "Supplemental Advance Date") by entering the principal amount of the Supplemental Advance on Exhibit A to the Note.
2. Execute and deliver the Certificate of Trustee Regarding Supplemental Advance related thereto in substantially the form of Exhibit E to the Indenture as required pursuant to Section 2.10(B) of the Indenture.
3. Pay the proceeds of such Supplemental Advance to the Board.

Pursuant to [Section 3.02(d)] of the Credit Agreement, the Board hereby requests the Purchaser to make the Supplemental Advance in the amount set forth in paragraph 1 above on the Supplemental Advance Date. The following are wire instructions of where the Purchaser should send the Supplemental Advance.

Bank: _____
ABA#: _____
Credit A/C#: _____
FFC Trust #: _____

Dated: _____
(at least 2 Business Days prior to
Date of Supplemental Advance)

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: _____
Authorized Officer

cc: Bond Counsel

EXHIBIT C
TO
TRUST INDENTURE

_____, as Trustee
Chicago, Illinois

BMO Harris Bank N.A., as Purchaser
Chicago, Illinois

FORM OF
CERTIFICATE OF BOARD REGARDING SUPPLEMENTAL ADVANCE

I am an Authorized Officer of the Board of Education of the City of Chicago (the "Board"), and, as such, I am familiar with the terms and provisions of the Trust Indenture dated as of _____, 2014 (the "Indenture") between the Board and _____, as Trustee (the "Trustee") authorizing the issuance of the Board's Educational Purposes Tax Anticipation Notes, Series 2014A in the maximum aggregate principal amount of \$_____,000,000 in multiple Advances from time to time (the "Notes"). Capitalized terms used but not defined herein shall have the same meaning as in the Indenture. As Authorized Officer designated under the Indenture, I hereby certify as follows with respect to the Supplemental Advance described below on the Notes:

1. The Board has provided to the Trustee, pursuant to Section 2.10(B) of the Indenture, the Instructions From Board Regarding Supplemental Advance dated _____, 20_____, regarding a Supplemental Advance in the amount of \$_____, ("Supplemental Advance") and instructing the Trustee to issue additional Notes such that the aggregate principal amount of \$_____, which represents the sum of the aggregate principal amount of Notes Outstanding of \$_____ and the Supplemental Advance of \$_____. Taking into account such Supplemental Advance, the aggregate amount of Advances (\$_____) less the aggregate amount of Repaid Advances on the Notes to date (\$_____) does not exceed the maximum aggregate principal amount of \$_____,000,000 less any amount redeemed pursuant to Section 3.1 of the Indenture.

2. Each of the representations and warranties of the Board contained in the Indenture and the Credit Agreement are true and correct as of the date hereof as if made on the date hereof.

3. Each of the Indenture, the Credit Agreement, the Tax Agreement, and any certificate executed and delivered by the Board in connection therewith, has not been amended or modified and is in full force and effect as of the date hereof. Each such agreement constitutes a legal, valid and binding obligation of the Board enforceable against the Board in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, arrangements, fraudulent conveyance,

moratorium, or other laws or equitable principles relating to or affecting the enforcement of creditors' rights generally, by application of equitable principles.

4. There is no litigation either pending or, to the best of the knowledge of the undersigned, threatened (a) to restrain or enjoin the issuance, sale or delivery of the Notes, (b) in any way contesting or affecting any authority for the issuance of the Notes or the validity of the Notes or the Indenture, or (c) in any way contesting the legal existence or the powers of the Board.

5. The Issuer has not been notified, either directly or indirectly, by Katten Muchin Rosenman LLP, Bond Counsel, that its approving opinion dated _____, 2014 with respect to the validity of the Notes and the exclusion from gross income for federal income tax purposes of interest thereon has been withdrawn or may no longer be relied upon without the substitution of a revised Opinion of Bond Counsel acceptable to the Trustee, the Board and the Purchaser.

6. The request by the Board for a Supplemental Advance is being made in accordance with the terms of the Tax Agreement. The Supplemental Advance referenced herein is intended by the Board to be treated as being part of a single issue of Notes for which the issue date is _____, 2014, the date of the Initial Advance on the Notes. The treatment in this paragraph of the Notes, and all Advances thereto, reflects the economic substance of the transaction and does not avoid Section 103 or any of Sections 141 through 150 of the Internal Revenue Code of 1986, as amended, or the general purposes thereof.

7. The authorization for the issuance of Tax Anticipation Notes contained in the Note Resolution is available and sufficient to authorize and include such Supplemental Advance. The Note Resolution has not been amended, modified, withdrawn or rescinded. The attached Exhibit A sets forth the principal amounts of notes authorized under the Note Resolution, the principal amounts of notes issued thereunder, the amounts of Repaid Advances with respect to the Notes and the other Tax Anticipation Notes and the principal amount of Tax Anticipation Notes that have been retired by redemption or maturity.

8. There is no Event of Default or any event which with the passage of time or giving of notice would constitute an Event of Default under the Indenture or the Credit Agreement on the part of the Board with respect to the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture, the Credit Agreement, or the Tax Agreement.

October 22, 2014

Dated: _____
(at least 2 Business Days prior to
Date of Supplemental Advance)

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: _____
Authorized Officer

cc: Bond Counsel

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EXHIBIT A

	<u>Note Resolution</u>	<u>This Series</u>
Amount Authorized	\$	
Less Principal Amount Issued		
Series 2014A Notes		
Series 2014B Notes		
Plus: Repaid Advances		
Series 2014A Notes		
Series 2014B Notes		
Principal Amount Available	\$	\$

**EXHIBIT D
TO
TRUST INDENTURE**

**FORM OF
CERTIFICATE OF TRUSTEE
REGARDING SUPPLEMENTAL ADVANCE**

BMO Harris Bank N.A., as Purchaser
Chicago, Illinois

Board of Education of the City of Chicago
Chicago, Illinois

The undersigned hereby certifies that he/she is the authorized representative of _____, as Trustee under a Trust Indenture dated as of _____, 2014 (the "Indenture") between it and the Board of Education of the City of Chicago (the "Board"), pursuant to which the Board has issued its Educational Purposes Tax Anticipation Notes, Series 2014A (the "Notes"). This Certificate is delivered pursuant to Section 2.10(B) of the Indenture and [Section 3.02] of the Credit Agreement and is delivered in connection with a Supplemental Advance to the Notes. Capitalized terms not otherwise defined herein shall have the meaning specified in the Indenture.

The undersigned hereby certifies as follows:

1. The Trustee has received, pursuant to Section 2.10(B) of the Indenture, executed Instructions From Board Regarding Supplemental Advance dated _____, requesting the Trustee and the Purchaser to undertake certain actions in connection with the Supplemental Advance described therein.

2. The Trustee has received no notice, either directly or indirectly, from the Board or the Purchaser of the early termination or early expiration of the Credit Agreement, nor has it received any notice, either directly or indirectly, from the Board or the Purchaser of an Event of Default or an event which with the passage of time or the giving of notice would constitute an Event of Default under the Indenture or the Credit Agreement.

3. The Trustee has received the executed Certificate of Board Regarding Supplemental Advance dated _____ pursuant to Section 2.10(B) of the Indenture, with respect to the current Supplemental Advance.

4. The Trustee has entered the principal amount of the Supplemental Advance on Exhibit A to Note No. R_____, the Notes are currently outstanding in the aggregate principal amount of \$_____ and the Trustee holds such Note as agent of Purchaser.

5. Upon receipt of the net proceeds of the Supplemental Advance contemplated by the Instructions From Board to Note Trustee Regarding Supplemental Advance referenced above, the Note Trustee will deposit such net proceeds in accordance with such instructions.

Dated: _____
(Date of Supplemental Advance)

as Trustee

By: _____
Title: _____

EXHIBIT E
TO
TRUST INDENTURE

FORM OF
CERTIFICATE AND DIRECTION REGARDING REPAYED ADVANCE

I am the _____ of the Board of Education of the City of Chicago (the "Board"), and, as such, I am familiar with the terms and provisions of the Indenture dated as of _____ 1, 2014 (the "Indenture") between the Board and _____, as Trustee (the "Trustee") authorizing the issuance of the Board's Educational Purposes Tax Anticipation Notes, Series 2014A in the maximum aggregate principal amount of \$_____,000,000 in multiple Advances from time to time (the "Notes"). Capitalized terms used but not defined herein shall have the same meaning as in the Indenture. As an Authorized Officer designated under the Indenture, I hereby certify as follows with respect to the Repaid Advance described below on the Notes:

1. On this date the Board has provided to the Trustee, pursuant to Section 2.1(B) of the Indenture the amount of \$_____, \$_____ of which represents the repayment of Advances (the "Repaid Advance") and \$_____ of which represents accrued interest on that portion of the Notes related to the Repaid Advance to the date hereof.
2. The Trustee is hereby instructed to deposit said amount into the Repaid Advance Fund in accordance with Section 4.4 of the Indenture.
3. The Trustee is hereby instructed to enter the amount of the Repaid Advance on Exhibit A to the Note.
4. The aggregate principal amount of Notes Outstanding upon such Repaid Advance is \$_____.

Dated: _____
(Date of Repaid Advance)

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: _____
Treasurer

EXHIBIT F
TO
TRUST INDENTURE

FORM OF INVESTOR LETTER

_____ 20 _____

Board of Education of the City of Chicago
Office of Chief Financial Officer
125 S. Clark Street
Chicago, IL 60603

Re: Not to exceed \$_____,000,000
Board of Education of the City of Chicago
Educational Purposes Tax Anticipation Notes, Series 2014A

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to our purchase of the above-referenced notes (the "Notes"), dated their date of issuance. The Notes are issued under and secured in the manner set forth pursuant to (i) a Trust Indenture dated as of _____ 1, 2014, between the Board of Education of the City of Chicago (the "Issuer") and _____ (the "Trustee"), (the "Indenture"). _____ (the "Purchaser," the "undersigned," "us" or "we," as applicable) is purchasing the Notes pursuant to a Credit Agreement dated as of _____ 1, 2014 (the "Credit Agreement"), between the Issuer and the Purchaser. We hereby represent and warrant to you and agree with you as follows:

1. We understand that the Notes have not been registered pursuant to the Securities Act of 1933, as amended (the "1933 Act"), the securities laws of any state, nor has the Indenture been qualified pursuant to the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. We acknowledge that the Notes (i) are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state, (ii) will not be listed on any securities exchange, (iii) will not carry a rating from any rating service, and (iv) will not be delivered in a form that is readily marketable.
2. We have not offered, offered to sell, offered for sale or sold any of the Notes by means of any form of general solicitation or general advertising, and we are not an underwriter of the Notes within the meaning of Section 2(11) of the 1933 Act.

3. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Notes.
4. We have authority to purchase the Notes and to execute this letter and any other instruments and documents required to be executed by the purchaser in connection with the purchase of the Notes.
5. The undersigned is a duly appointed, qualified and acting representative of the Purchaser and is authorized to cause the Purchaser to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.
6. The undersigned is either (a) a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act (a "*QIB*"), or (b) an "accredited investor" as defined in Rule 501 of Regulation D under the 1933 Act (an "*Accredited Investor*"), and, as such, is able to bear the economic risks of such investment in the Notes. The Purchaser understands that, in certain circumstances, it may be required to hold the Notes until the maturity thereof.
7. The undersigned understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Notes. The undersigned has made its own inquiry and analysis with respect to the Issuer, the Notes and the security therefor, and other material factors affecting the security for and payment of the Notes.
8. We understand and acknowledge that the Notes are limited obligations of the Issuer payable solely from the tax revenue collected from the Issuer's 2014 tax levy for educational purposes, and that neither the full faith and credit nor the taxing power of the Issuer is pledged to the payment of the principal of or interest on the Notes.
9. The undersigned acknowledges that it is familiar with the condition, financial or otherwise, of the Issuer and it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Issuer, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Notes and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Notes. The undersigned acknowledges that it does not require further information from the Board for purposes of purchasing the Notes.
10. The Purchaser has made its own inquiry and analysis with respect to the Notes and the security therefor, and other material factors affecting the security and payment of the Notes. The Purchaser has assumed responsibility for obtaining such information and making such review as the Purchaser deemed necessary or desirable in connection with its decision to purchase the Notes. The Purchaser is aware that the business of the Issuer involves certain economic variables and risks that could adversely affect the security for the Notes.

11. The Notes are being acquired by the Purchaser for investment for its own account and not with a present view toward resale or distribution and the Purchaser intends to hold the Notes for its own account; *provided, however,* that the Purchaser reserves the right to sell, transfer or redistribute the Notes, subject to the provisions of the Credit Agreement, but agrees that any such sale, transfer or distribution by the Purchaser shall be in accordance with the Credit Agreement and the Indenture.
12. The Purchaser agrees to comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Notes by it, and further acknowledges that any current exemption from registration of the Notes does not affect or diminish such requirements.

Very truly yours,

By: _____
Name: _____
Title: _____

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Vice President Ruiz abstained on Board Report 14-1022-RS2.

Board Member Quazzo abstained on Board Report 14-1022-RS2.

**RESOLUTION
AUTHORIZE APPOINTMENT OF MEMBERS
TO LOCAL SCHOOL COUNCILS TO FILL VACANCIES**

WHEREAS, the Illinois School Code, 105 ILCS 5/34-2.1, authorizes the Board of Education of the City of Chicago ('Board') to appoint the teacher, non-teacher staff and high school student members of local school councils of regular attendance centers to fill mid-term vacancies after considering the preferences of the schools' staffs or students, as appropriate, for candidates for appointment as ascertained through non-binding advisory polls;

WHEREAS, the Governance of Alternative and Small Schools Policy, B. R. 07-0124-PO2 ("Governance Policy"), authorizes the Board to appoint all members of the appointed local school councils and boards of governors of alternative and small schools (including military academy high schools) to fill mid-term vacancies after considering candidates for appointment selected by the following methods and the Chief Executive Officer's recommendations of those or other candidates:

<u>Membership Category</u>	<u>Method of Candidate Selection</u>
Parent	Recommendation by serving LSC or Board
Community	Recommendation by serving LSC or Board
Advocate	Recommendation by serving LSC or Board
Teacher/JROTC Instructor	Non-binding Advisory Staff Poll
Student	Non-binding Advisory Student Poll or Student Serving as Cadet Battalion Commander or Senior Cadet (military academy high schools)

WHEREAS, the established methods of selection of candidates for Board appointment to fill mid-term vacancies on local school councils, appointed local school councils and/or boards of governors were employed at the schools identified on the attached Exhibit A and the candidates selected thereby and any other candidates recommended by the Chief Executive Officer have been submitted to the Board for consideration for appointment in the exercise of its absolute discretion;

WHEREAS, the Illinois School Code and the Governance Policy authorize the Board to exercise absolute discretion in the appointment process;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE CITY OF CHICAGO:

1. The individuals identified on the attached Exhibit A are hereby appointed to serve in the specified categories on the local school councils, appointed local schools and/or boards of governors of the identified schools for the remainder of the current term of their respective offices.
2. This Resolution is effective immediately upon adoption.

Exhibit A

NEW APPOINTED MEMBERS

<u>TEACHER MEMBER</u>	<u>REPLACING</u>	<u>SCHOOL</u>
Lindsay Shumaker	Laura Ferdinand	Audubon E. S.
Analleli Munoz	Position Vacant	Belmont-Cragin E. S.
Guadalupe Diaz	Position Vacant	Belmont-Cragin E. S.
Lynnto King-Craig	Nathaniel Mallory	Cather E. S.
Jason Zak	Jana Martin	Clinton E. S.
Kelly Smith	Margeaux McReynolds	Cuffe E. S.
Andrew Russell	Fernando Mojica	Disney E. S.
Caprice Mitchell	Eboni Mixon	Ft. Dearborn E. S.
Angelata Mitchell	Lauren Embers	Hefferan E. S.
Marlene Tyler	Juanita Gonzalez	L. Hughes E. S.
Ernesto Saldívar	Position Vacant	Jones Coll. Prep. H. S.
Dina Carroll	Leah Putnam	Jordan E. S.
Samantha Williams	Camille Kizart	Oglesby E. S.
Kristin Elouadrhiri	Position Vacant	Prussing E. S.
Verna Flores	Position Vacant	Prussing E. S.
Eleni Lemberis	Position Vacant	Ray E. S.
Arregina McCullom	Linda Egeson	Spencer E. S.
Susan Martin	Anita Scotese	Stone E. S.

NON-TEACHER MEMBER

Amy Taylor
Denise Jimenez
Chinita Berry
Karen Quarles
Luisa Vega
Terrell Autry
Maureen Turenne
Ramiro Santillan
Marjorie Rivera

REPLACING

Ashley Desmond
Position Vacant
Vernia Robinson
Position Vacant
Position Vacant
Florentino Lopez
Position Vacant
Elizabeth Paige
Carmen Sugrue

SCHOOL

Audubon E. S.
Belmont-Cragin E. S.
Brownell E. S.
L. Hughes E. S.
Kelvyn Park H. S.
LaSalle Language E. S.
Prussing E. S.
Skinner North E. S.
Volta E. S.

PARENT MEMBER

Araceli Valadez

REPLACING

Position Vacant

SCHOOL

World Lang. H. S

STUDENT MEMBER

Ana Brito
Edward Morrow

REPLACING

Position Vacant
Position Vacant

SCHOOL

Kelvyn Park H. S.
Simeon H. S.

President Vitale indicated that if there were no objections, Board Reports 14-1022-RS1, 14-1022-RS2, and 14-1022-RS4, with the noted abstentions, would be adopted by the last favorable roll call vote, all members present voting therefore.

President Vitale thereupon declared Board Reports 14-1022-RS1, 14-1022-RS2, and 14-1022-RS4 adopted.

14-1022-CO1

FINAL

**COMMUNICATION RE: LOCATION OF
BOARD MEETING OF NOVEMBER 19, 2014**

**David J. Vitale President, and
Members of the Board of Education**

Dr. Carlos M. Azcoitia
Dr. Henry S. Bienen
Dr. Mahalia A. Hines
Deborah H. Quazzo
Jesse H. Ruiz
Andrea L. Zopp

This is to advise that the Regular Meeting of the Board of Education scheduled for Wednesday, November 19, 2014 will be held at:

George Westinghouse College Prep
3223 West Franklin Blvd
Chicago, Illinois 60624
Auditorium

The Board Meeting will begin at 4:30 p.m.

Public Participation Guidelines are available on www.cpsboe.org or by calling (773) 553-1600.

For the November 19, 2014 Board Meeting, advance registration to speak and observe will be available beginning Monday, November 10th at 8:00 a.m. and will close Monday, November 17th at 5:00 p.m. due to Veteran's Day on Tuesday, November 11th, or until all slots are filled. You can advance register during the registration period by the following methods:

Online: www.cpsboe.org (recommended)
Phone: (773) 553-1600
In Person: 125 South Clark Street, 6th Floor

The Public Participation segment of the meeting will begin as indicated in the meeting agenda and proceed for no more than 60 registered speakers for the two hours.

14-1022-EX1*

TRANSFER OF FUNDS

Various Units and Objects

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

The various transfers of funds were requested by the Central Office Departments during the month of September. All transfers are budget neutral. A brief explanation of each transfer is provided below:

1. Transfer from Language and Cultural Education to Language and Cultural Education

Rationale: Transferring \$1,000 to pointer line to open a bucket for teachers working on the StarTalk Summer Program Arabic/Chinese

Transfer From:	Transfer To:
11510 Language and Cultural Education	11510 Language and Cultural Education
324 Miscellaneous-Federal & State Block Grants	324 Miscellaneous Federal & State Block Grants
57705 Services - Space Rental	51320 Bucket Position Pointer
221002 World Language Instr Supp	290001 General Salary S Bkt
500363 StarTalk Arabic/Chinese	500363 StarTalk Arabic/Chinese

Amount: \$1,000

2. Transfer from Capital/Operations - City Wide to Frazier International Magnet Elementary School

Rationale: Funds Transfer From Award# 2014-484-00-41 To Project# 2014-29411-SIT ; Change Reason : NA

Transfer From:	Transfer To:
12150 Capital/Operations - City Wide	29411 Frazier International Magnet Elementary School
484 CIP Series 2013BC	484 CIP Series 2013BC
56310 Capitalized Construction	56310 Capitalized Construction
009546 School Transitions	253524 Playground Program
000000 Default Value	000000 Default Value

Amount: \$1,000

3. Transfer from Early College and Career - City Wide to Stephen T Mather High School

Rationale: Supplies for CTE LPSA Program.

Transfer From:	Transfer To:
13727 Early College and Career - City Wide	46241 Stephen T Mather High School
115 General Education Fund	115 General Education Fund
53405 Commodities - Supplies	53405 Commodities - Supplies
113096 Cte Law And Public Safety	113096 Cte Law And Public Safety
000389 Cte Programs	000389 Cte Programs

Amount: \$1,000

4. Transfer from Early College and Career - City Wide to Marine Military Academy

Rationale: Student Transportation for STEM Launch at IIT.

Transfer From:	Transfer To:
13727 Early College and Career - City Wide	49151 Marine Military Academy
324 Miscellaneous Federal & State Block Grants	324 Miscellaneous Federal & State Block Grants
53405 Commodities - Supplies	54210 Pupil Transportation
125023 Stem - Extended Student Learning	125023 Stem - Extended Student Learning
439602 Critical Mass	439602 Critical Mass

Amount: \$1,000

5. Transfer from Early College and Career - City Wide to Hyman G. Rickover Naval Academy

Rationale: Student Transportation for STEM Launch at IIT.

Transfer From:	Transfer To:
13727 Early College and Career - City Wide	45221 Hyman G. Rickover Naval Academy
324 Miscellaneous Federal & State Block Grants	324 Miscellaneous Federal & State Block Grants
53405 Commodities - Supplies	54210 Pupil Transportation
125023 Stem - Extended Student Learning	125023 Stem - Extended Student Learning
439602 Critical Mass	439602 Critical Mass

Amount: \$1,000

6. Transfer from Early College and Career - City Wide to Lake View High School

Rationale: Student Transportation for STEM Launch at IIT.

Transfer From:	Transfer To:
13727 Early College and Career - City Wide	46211 Lake View High School
324 Miscellaneous Federal & State Block Grants	324 Miscellaneous Federal & State Block Grants
53405 Commodities - Supplies	54210 Pupil Transportation
125023 Stem - Extended Student Learning	125023 Stem - Extended Student Learning
439602 Critical Mass	439602 Critical Mass

Amount: \$1,000

7. Transfer from Early College and Career - City Wide to Chicago Vocational Career Academy

Rationale: Student Transportation for STEM Launch at IIT.

Transfer From:		Transfer To:	
13727	Early College and Career - City Wide	53011	Chicago Vocational Career Academy
324	Miscellaneous Federal & State Block Grants	324	Miscellaneous Federal & State Block Grants
53405	Commodities - Supplies	54210	Pupil Transportation
125023	Stem - Extended Student Learning	125023	Stem - Extended Student Learning
439602	Critical Mass	439602	Critical Mass

Amount: \$1,000

8. Transfer from Early College and Career - City Wide to George Henry Corliss High School

Rationale: Student Transportation for STEM Launch at IIT.

Transfer From:		Transfer To:	
13727	Early College and Career - City Wide	46391	George Henry Corliss High School
324	Miscellaneous Federal & State Block Grants	324	Miscellaneous Federal & State Block Grants
53405	Commodities - Supplies	54210	Pupil Transportation
125023	Stem - Extended Student Learning	125023	Stem - Extended Student Learning
439602	Critical Mass	439602	Critical Mass

Amount: \$1,000

9. Transfer from Early College and Career - City Wide to Sarah Goode High School

Rationale: Student Transportation for STEM Launch at IIT.

Transfer From:		Transfer To:	
13727	Early College and Career - City Wide	46611	Sarah Goode High School
324	Miscellaneous Federal & State Block Grants	324	Miscellaneous Federal & State Block Grants
53405	Commodities - Supplies	54210	Pupil Transportation
125023	Stem - Extended Student Learning	125023	Stem - Extended Student Learning
439602	Critical Mass	439602	Critical Mass

Amount: \$1,000

809. Transfer from Capital/Operations - City Wide to Information & Technology Services

Rationale: Funds Transfer From Award# 2015-412-00-02 To Project# 2015-12510-UAR ; Change Reason : NA

Transfer From:		Transfer To:	
12150	Capital/Operations - City Wide	12510	Information & Technology Services
412	Capital Asset Fund	412	Capital Asset Fund
56310	Capitalized Construction	56310	Capitalized Construction
009594	Infrastructure Services	254901	Network Services
005060	Central Office Relocation Of 2015	005060	Central Office Relocation Of 2015

Amount: \$2,000,000

810. Transfer from John C Coonley School to Capital/Operations - City Wide

Rationale: Funds Transfer From Project# 2013-22821-ADD To Award# 2012-483-00-30 ; Change Reason : NA

Transfer From:		Transfer To:	
22821	John C Coonley School	12150	Capital/Operations - City Wide
483	CIP Series 2012A	483	CIP Series 2012A
56310	Capitalized Construction	56310	Capitalized Construction
009531	Additions	253318	Annex
000000	Default Value	000000	Default Value

Amount: \$2,315,826

811. Transfer from Office of Strategic School Support Services to Office of Strategic School Support Services

Rationale: Correct budget alignment.

Transfer From:		Transfer To:	
13740	Office of Strategic School Support Services	13740	Office of Strategic School Support Services
332	NCLB Title I Regular Fund	332	NCLB Title I Regular Fund
54125	Services - Professional/Administrative	57940	Miscellaneous Charges
211001	Oth Govt Fd Prog-Attend&Soc Wk	119010	Other Instructional Programs
430165	Title I - Office Of Strategic School Support Services	430165	Title I - Office Of Strategic School Support Services

Amount: \$2,765,400

812. Transfer from Capital/Operations - City Wide to Dodge Renaissance Academy

Rationale: Funds Transfer From Award# 2015-412-00-01 To Project# 2015-22981-ICR ; Change Reason : NA

Transfer From:	Transfer To:
12150 Capital/Operations - City Wide	22981 Dodge Renaissance Academy
412 Capital Asset Fund	412 Capital Asset Fund
56310 Capitalized Construction	56310 Capitalized Construction
009426 All Other	253526 Interior Renovation
005060 Central Office Relocation Of 2015	005060 Central Office Relocation Of 2015

Amount: \$10,330,500

*[Note: The complete document will be on File in the Office of the Board]

14-1022-EX2

**AUTHORIZE CHANGE TO THE EDUCATIONAL FOCUS AT JOHN HANCOCK COLLEGE
PREPARATORY HIGH SCHOOL**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS:

That the Board authorize a change to the educational focus at John Hancock College Preparatory High School ("Hancock") (School ID 609694), located at 4034 West 56th Street, Chicago, Illinois from an attendance area high school to a citywide Selective Enrollment High School (SEHS) program and a College and Career Academy (CCA) program, effective July 1, 2015.

A public hearing regarding changing the educational focus will be held on October 21, 2014.

DESCRIPTION: Effective July 1, 2015, a SEHS and a CCA program will be established at Hancock High School. Both programs will be phased in beginning with incoming 9th grade classes beginning in fall 2015. The SEHS program will be a citywide program serving approximately 105 incoming freshmen and the CCA program will serve approximately 105 incoming freshmen and provide a neighborhood preference for students living in its proximity area. Both programs will phase in one grade per year until the programs serve approximately 840 students in grades 9-12.

Curriculum:

Selective Enrollment High School (SEHS): The SEHS program provides academically advanced high school students with a challenging and enriched college preparatory experience that includes honors and Advanced Placement (AP) courses.

College and Career Academy (CCA): The CCA program offers a series of courses focused on high-demand industries which incorporate rigorous classroom instruction, hands-on training, real work experience, and extra student supports into a college-preparatory curriculum to prepare students for postsecondary success. The CCA program at Hancock will be split into two academies: Pre-Law and Pre-Engineering.

Enrollment: Current Hancock students are entitled to complete their education at the school while the SEHS and CCA programs are phased in. Beginning with the 2014-2015 application year, Hancock will enroll 50% of its students citywide for the selective enrollment seats and 50% of its students for the CCA program.

SEHS Enrollment: Students enrolling in the SEHS program will do so in accordance with the Board of Education's Admissions Policy for Magnet, Selective Enrollment and Other Options for Knowledge Schools and Programs (08-0227-PO2).

CCA Enrollment: Approximately 105 seats will be designated annually for the CCA programs. For the 2014-2015 application year, students must qualify in the following manner: Minimum 7th grade NWEA MAP scores of 24% are required to apply (combination percentile of 48% for students receiving special education or bilingual education services). Applicants will be awarded points based on 7th grade final grade point average in core courses and 7th grade test scores. Selections will be made based on highest point totals, with preference first given to eligible students within the proximity area. If there are not enough eligible applicants from within the proximity area, students from outside of the area will be selected based on total points. After the initial application year, eligibility and rubric will be defined by the Office of Access and Enrollment in its guidelines.

Proximity Area: The proximity boundary will be:

Beginning at Harlem Avenue and 51st Street (city limits)
 East along city limits to Laramie Avenue
 North along city limits to the Stevenson Expressway
 Northeast, north and east along city limits to the Sanitary Ship Canal and the Belt RR at Kenton Avenue (extended)
 Northeast to Belt RR at Central Park Avenue
 South to 44th St (extended)
 East to Spaulding Avenue
 South and east to Archer Avenue

Northeast to Kedzie Avenue
South to the Belt and IHB RR at 49th Street (extended)
East to Mozart Street (extended)
South to 54th Street
West to Richmond Street
South to 55th Street
East to the Penn Railroad (at Leavitt)
South to Norfolk Southern/Belt Railroad (75th Street)
East to Damen Avenue
South to 87th Street
West to Cicero Avenue
North to 65th Street
West to Harlem Avenue
North to the starting point

Personnel Implications: Hancock will be staffed in accordance with Board staffing formulas for all positions. Unique teacher training, professional development, skills, abilities, proficiencies, experience and qualifications may apply to some teacher positions and may be required for educational support personnel.

Financial Implications: The Office of Magnet, Gifted, and IB programs will request additional funding of approximately \$670,000 during the FY16 budget process. Funds will be used to support 2 additional teaching positions as well as technology and materials.

14-1022-EX3

FINAL

ADJUST THE ATTENDANCE BOUNDARIES FOR JOHN HANCOCK COLLEGE PREPARATORY HIGH SCHOOL, MARIE SKLODOWSKA CURIE METROPOLITAN HIGH SCHOOL, GURDON S. HUBBARD HIGH SCHOOL, AND ERIC SOLORIO ACADEMY HIGH SCHOOL

THE CHIEF EXECUTIVE OFFICER RECOMMENDS:

Effective June 30, 2015, adjust the attendance boundaries for John Hancock College Preparatory High School ("Hancock") (School ID 609694), located at 4034 West 56th Street, Chicago, Illinois, Marie Skłodowska Curie Metropolitan High School ("Curie") (School ID 609756), located at 4959 South Archer Avenue, Chicago, Illinois, Gurdon S. Hubbard High School ("Hubbard") (School ID 609741), located at 6200 S Hamlin Avenue, Chicago, Illinois, and Eric Solorio Academy High School ("Solorio") (School ID 610543), located at 5400 S St. Louis Avenue, Chicago, Illinois.

A public meeting was held on October 21, 2014 at the Chicago Public Schools' central office, located at 125 South Clark Street to discuss the proposed boundary changes.

DESCRIPTION: Pursuant to the Board of Education's Policy on the Review and Establishment of School Attendance Boundaries, 05-0622-PO1, the Chief Executive Officer may recommend the adjustment of school attendance boundaries.

These adjustments are necessary to change the educational focus of Hancock as an attendance area high school to a citywide school with a Selective Enrollment High School program and a College and Career Academy program for the incoming Fall 2015 9th grade cohort and each incoming 9th grade cohort thereafter. These changes will also remove the Hancock attendance area, reduce the Solorio attendance area, and expand the Hubbard and Curie boundaries over four school years, which will allow for a more balanced and efficient utilization of the four high schools. Students currently enrolled in Hancock, Curie, Hubbard, and Solorio will not be required to transfer as a result of the proposed boundary changes.

Adjust Attendance Area Boundary for Curie (School ID # 609756)

*Effective June 30, 2015 for ninth grade only;
Effective June 30, 2016 for grades ninth through tenth;
Effective June 30, 2017 for grades ninth through eleventh;
Effective June 30, 2018 for grades ninth through twelfth;*

Beginning at the BRC Railroad (Kenton Avenue) and the South Branch of the Chicago River
Northeast to the Central Park Avenue
South to 44th Street
East to Spaulding Avenue
South to Archer Avenue
Northeast to Kedzie Avenue
South to 49th Street
East to Mozart Street

South to 54th Street
West to Richmond
South to 55th Street (Garfield Boulevard)
West to Christiana Avenue
North to 53rd Street
West to Lawndale Avenue
South to 55th Street (Garfield Boulevard)
West to Hamlin Avenue
South to 56th Place
East to Lawndale Avenue
South to 59th Street
West to the BRC Railroad (at Kenton Avenue)
North to Starting Point

-And-

*Effective June 30, 2015 for grades tenth through twelfth;
Effective June 30, 2016 for grades eleventh through twelfth;
Effective June 30, 2017 for twelfth grade only;*

Beginning at the BRC Rail Road (Kenton Avenue) and the South Branch of the Chicago River
Northeast to the Central Park Avenue
South to 44th Street
East to Spaulding Avenue
South to Archer Avenue
Northeast to Kedzie Avenue
South to 49th Street
East to Mozart Street
South to 54th Street
West to Richmond
South to 55th Street (Garfield Boulevard)
West to CN RR (at Central Park Avenue)
North to the Belt RR
Southeast to 51st Street (at Harding Avenue)
East to Hamlin Avenue
South to 55th Street (Garfield Boulevard)
West to the BRC Rail Road (Kenton Avenue)
North to Starting Point

Adjust Attendance Area Boundaries for Hubbard (School ID # 609741)

*Effective June 30, 2015 for ninth grade only;
Effective June 30, 2016 for grades ninth through tenth;
Effective June 30, 2017 for grades ninth through eleventh;
Effective June 30, 2018 for grades ninth through twelfth;*

Beginning at Central Avenue and 55th Street (Garfield Boulevard)
East to the BRC Railroad (Kenton Avenue)
South to 59th Street
East to Lawndale Avenue
South to 59th Place
East to St. Louis Avenue
South to 60th Street
East to Albany Avenue
South to 61st Street
West to Kedzie Avenue
South to Marquette Road
West to Karlov Avenue
South to 68th Street
West to Cicero Avenue
North to 65th Street
West to Lockwood Avenue
North to 63rd Place
East to Latrobe Avenue
North to 63rd Street
West to Central Avenue
North to the starting point.

-And-

*Effective June 30, 2015 for grades tenth through twelfth;
Effective June 30, 2016 for grades eleventh through twelfth;
Effective June 30, 2017 for twelfth grade only;*

Beginning at Lockwood Avenue and 63rd Place
East to Latrobe Avenue
North to 63rd Street
East to Keeler Avenue
North to 56th Place
East to Lawndale Avenue
South to 62nd Street
East to Kedzie Avenue
South to Marquette Road
West to Karlov Av
South to 68th Street
West to Cicero Avenue
North to 65th Street
West to Lockwood Avenue
North to the starting point.

Adjust Attendance Area Boundaries for Solorio (School ID #610543)

*Effective June 30, 2015 for ninth grade only;
Effective June 30, 2016 for grades ninth through tenth;
Effective June 30, 2017 for grades ninth through eleventh;
Effective June 30, 2018 for grades ninth through twelfth;*

Beginning at Hamlin Avenue and 55th Street (Garfield Boulevard)
East to Lawndale Avenue
North to 53rd Street
East to Christiana Avenue
South to 55th Street (Garfield Boulevard)
East to Richmond Street
South to 57th Street
East to Francisco Avenue
South to 61st Street
West to Albany Avenue
North to 60th Street
West to St. Louis Avenue
North to 59th Place
West to Lawndale Avenue
North to 56th Place
West to Hamlin Avenue
North to the starting point.

-And-

*Effective June 30, 2015 for grades tenth through twelfth;
Effective June 30, 2016 for grades eleventh through twelfth;
Effective June 30, 2017 for twelfth grade only;*

Beginning at the Belt RR and Harding Avenue
Northeast to the CN RR (at Central Park Avenue)
South to 55th Street (Garfield Boulevard)
East to Richmond Street
South to 57th Street
East to Francisco Avenue
South to 61st Street
West to Kedzie Avenue
South to 62nd Street
West to Lawndale Avenue
North to 56th Place
West to Hamlin Avenue
North to 51st Street
West to the starting point

14-1022-EX4

**AMEND BOARD REPORT 12-0328-EX11
APPROVE THE RENEWAL OF THE CHARTER SCHOOL AGREEMENT WITH
CHICAGO CHARTER SCHOOL FOUNDATION
(CHICAGO INTERNATIONAL CHARTER SCHOOL)**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

Approve the renewal of the Charter School Agreement with Chicago Charter School Foundation for an additional 5-year period. A new Charter School Agreement applicable to this renewal term will be negotiated. The authority granted herein shall automatically rescind in the event a written Charter School Agreement is not executed by the Board and the charter school's governing board within 120 days of the date of this Board Report. The agreement authorized herein will only take effect upon certification by the Illinois State Board of Education. Information pertinent to this renewal is stated below.

This October 2014 amendment is necessary to (a) ratify the authorization for Chicago Charter School Foundation to change the educational management organization for Chicago International Charter School - Irving Park Campus from Victory Educational Partners to Distinctive Schools, effective July 1, 2013, and (b) to correct the at capacity enrollment listed in the board report for the Chicago International Charter School - Ralph Ellison Campus from 630 to 570 students, thus decreasing the overall at capacity enrollment of the charter school from 10,111 to 10,051 students.

This October 2014 amendment is also necessary to approve an increase in the at capacity enrollment at the Chicago International Charter School - Northtown Campus by 50 students to 900 students which will increase the overall at capacity enrollment at the charter school to 10,101 students beginning in the spring of 2015. The authority granted herein shall automatically rescind in the event a written amendment to the Charter School Agreement is not executed by the Board and the charter school's governing board within 120 days of the date of this amended Board Report.

SCHOOL OPERATOR: Chicago Charter School Foundation

11 ~~East~~ Adams Street, Suite 600
Chicago, Illinois 60603
(312) 651-5000

Contact Person: Dr. Elizabeth Purvis, Executive Director

CHARTER SCHOOL: Chicago International Charter School (CICS)

11 ~~East~~ Adams Street, Suite 600
Chicago, Illinois 60603
(312) 651-5000

Contact Person: Dr. Elizabeth Purvis, Executive Director

OVERSIGHT:

Portfolio Office of Innovation and Incubation
125 S. Clark Street, 10th Floor
Chicago, IL 60603
(773) 553-1530
Contact Person: Carly Belger, Executive Director, Office of New Schools and
-Programs; Jack Elsey, Chief Officer

ORIGINAL AGREEMENT: The original Charter School Agreement (authorized by Board Report 97-0122-EX4 as amended by Board Report 00-0223-EX3) is for a term commencing July 1, 1997 and ending June 30, 2002 and authorized CCSF to operate four campuses with a total enrollment of 5,000. The charter and Charter School Agreement were subsequently renewed for a term commencing July 1, 2002 and ending June 30, 2007 (authorized by Board Report 01-1219-EX2). The charter and Charter School Agreement were further renewed for a term commencing July 1, 2007 and ending June 30, 2012 (authorized by Board Report 07-0523-EX5). The charter and Charter School Agreement were subsequently amended as follows:

- Board Report 07-0822-EX10: Approved the address change of the CICS - Ralph Ellison Campus from 8001 S. Honore to 1547 W. 95th Street and the name change of the CICS - Avondale Campus located at 3820 N. Spaulding to CICS - Irving Park Campus.
- Board Report 07-1024-EX6: Approved the establishment of a new campus in the fall of 2008 to be located at 9535 South Throop Street and the increase of the at capacity enrollment by 520 to 8,167.
- Board Report 07-1219-EX3: Approved an address correction for the CICS - Irving Park Campus from 3834 N. Spaulding to 3820 N. Spaulding.
- Board Report 08-0123-EX3: Approved the address change of the CICS- Ralph Ellison Campus from 1547 W. 95th Street to the permanent address of 8001 S. Honore.

- Board Report 08-0602-EX3: Approved the correct contact information for the Chicago Charter School Foundation; the correct addresses of the CICS - Friesse Campus, CICS - Ralph Ellison Campus and CICS - Washington Park Campus; the correct year when the CICS - Longwood Campus and CICS - Washington Park Campus opened; the change in grade structures for the CICS - Longwood Campus and CICS - Friesse Campus; the increase of the at capacity enrollment for the CICS - Friesse Campus; the decrease of the at capacity enrollment for the CICS - Ralph Ellison Campus; the correction of the at capacity enrollments for 7 campuses; and the change of the overall at capacity enrollment for the whole charter school from 8,167 to 8,000.
- Board Report 08-1022-EX12: Approved the establishment of a new campus in the fall of 2009 to be located at 13300 S. Langley, the increase of the overall at capacity enrollment by 350 to 8,350 students, the change of the name of the CICS - Friesse Campus to the CICS - Loomis Primary Campus, and the clarification of the relationship of any pre-kindergarten program to the charter school.
- Board Report 09-0826-EX9: Approved the name change of the CICS - Altgeld Gardens Campus to the CICS - Lloyd Bond Campus.
- Board Report 09-1216-EX4: Approved the establishment of a new campus in the fall of 2010 to be located at 801 E. 133rd Place and the increase of the at capacity enrollment at the charter school by 900 to 9,250 students.
- Board Report 10-0324-EX3: Approved the name change of the CICS - Carver Campus to the CICS - Larry Hawkins Campus, the change of grade structure at the CICS - Larry Hawkins Campus from 6 through 12 to 7 through 12, and the change of grade structure at the CICS - Lloyd Bond Campus from K through 8 to K through 6.

The charter and Charter School Agreement were amended and restated to approve the following:

- the decrease of the at capacity enrollment at the CICS - Ralph Ellison Campus by 30 students to a new at capacity enrollment of 570 students and the increase of the at capacity enrollment at the CICS - Bucktown Campus by 30 students to a new at capacity enrollment of 670 students (Board Report 10-1027-EX15); and
- the establishment of one new campus to open in the fall of 2011 at 1443 N. Ogden and the increase in the overall at capacity enrollment of the charter school by 801 to 10,051 students in the fall of 2011 (Board Report 11-0126-EX10).

School Management Co.	Year Opened	Campus Name	Address	At Capacity Grades	2012-2013 Enrollment	At Capacity Enrollment
Civitas	2002	Northtown	3900 W. Peterson	9-12	850	<u>850-900</u>
	2006	Ralph Ellison	1817 W. 80th Street	9-12	613	<u>630-570</u>
	2005	Wrightwood	8130 S. California	K-8	735	785
Chicago Quest	2011	ChicagoQuest North	1443 N. Ogden	6-12	412	801
Distinctive Schools	1997	Bucktown	2235 N. Hamilton	K-8	670	670
	2007	Irving Park	3820 N. Spaulding	<u>K-8</u>	<u>527</u>	<u>536</u>
	1997	Prairie	11530 S. Prairie Avenue	K-8	405	405
	2002	West Belden	2245 N. McVicker	K-8	500	500

Edison Schools Inc.	2010	Larry Hawkins	801 E. 133 rd Place	7-12	577	900
	2009	Lloyd Bond	13300 S. Langley	K-6	350	350
	1997	Longwood	1309 W. 95th Street	3-12	1475	1475
	2008	Loomis Primary	9535 S. Loomis	K-2	590	590
Victory	2005	Avalon/South Shore	1501 E. 83rd Place	K-8	426	426
	2002	Basil	1816 W. Garfield Blvd	K-8	733	733
	2007	Irving Park	3820 N. Spaulding	K-8	527	536
	2001	Washington Park	6105 S. Michigan	K-8	454	460

CHARTER RENEWAL PROPOSAL: The Chicago Charter School Foundation submitted a renewal proposal on September 1, 2011, to continue the Chicago International Charter School under a unified mission, using ChicagoQuest, Civitas, Edison Schools Inc, Distinctive Schools and Victory for comprehensive school management services. In January 2012, the Chicago Charter School Foundation submitted a material modification to increase the enrollment at the CICS-Ralph Ellison Campus, raising the at capacity enrollment to 630 students. As a result, the charter school shall serve grades Kindergarten through 12 with a maximum enrollment of 10,111 students.

The agreement incorporates an accountability plan in which the charter school is evaluated by the Board each year based on numerous factors related to academic, financial and operational performance.

In June 2013, Chicago Charter School Foundation submitted notification to the Office of Innovation and Incubation that the educational management organization for Chicago International Charter School – Irving Park Campus would change from Victory Educational Partners to Distinctive Schools beginning July 1, 2013.

The Office of Innovation and Incubation realized that it needed to correct the at capacity enrollment listed in the board report for the Chicago International Charter School – Ralph Ellison Campus from 630 to 570 students, thus decreasing the overall at capacity enrollment of the charter school from 10,111 to 10,051 students.

In February 2014, Chicago Charter School Foundation submitted a material modification to increase the at capacity enrollment at the Chicago International Charter School – Northtown Campus by 50 students to 900 students which will increase the overall at capacity enrollment at the charter school to 10,101 students beginning in the spring of 2015. A public hearing on the proposed change was held on Tuesday, October 7, 2014. The hearing was recorded and a summary report is available for review.

CHARTER EVALUATION: After receiving the charter renewal proposal, the Portfolio Office conducted a comprehensive evaluation of Chicago International Charter School's performance and operations. This evaluation included a review of the proposal, facilities surveys, financial analysis, and academic site visits of the Avalon/ South Shore, Basil, Bucktown, Lloyd Bond, Irving Park, Longwood, Prairie, Ralph Ellison and West Belden campuses in which teaching and learning, leadership and governance, and learning communities were assessed. A public hearing was conducted on Thursday, March 22, 2012 to receive public comments on the application to renew the Charter School Agreement with the Chicago Charter School Foundation for an additional five years. In addition, the Portfolio Office evaluated the school's student performance. From 2007-2008 to 2009-2010, Chicago International Charter School campuses received 21 of 50 high ratings, 21 of 50 middle ratings, and 8 of 50 low ratings. From 2007-2008 to 2009-2011, CICS' student attendance averaged approximately 94.0%. In 2010-2011, 23.5% of CICS students met or exceeded state standards on the PSAE Composite, a decrease of 7.3 percentage points from 2007-2008. In 2010-2011, the percentage of students meeting/exceeding state standards on the ISAT Composite was 76.8%, an increase of 4.4 percentage points from 2007-2008. In 2011, CICS was rated a Level 2 school at the high school level and a Level 2 school at the elementary school level, in accordance with the Performance, Remediation, and Probation Policy, the most recent framework put forth by the district for assessing charter pupil performance. The committee recommends that, based on the school's performance on these and other accountability criteria, Chicago International Charter School be authorized to continue operating as a charter school.

RENEWAL TERM: The term of Chicago International Charter School's charter and agreement is being extended for a five (5) year term commencing July 1, 2012 and ending June 30, 2017.

ADDITIONAL TERMS AND CONDITIONS: Additional terms and conditions will be communicated to the charter school and included as an attachment to the Charter School Agreement with the Chicago Charter School Foundation.

AUTHORIZATION: Authorize the General Counsel to include relevant terms and conditions, including any indemnities to be provided to the charter school, in the written Charter School Agreement and amendment which shall reflect resolution of any and all outstanding issues between the Board and the governing body of the charter school including, but not limited to: site location, enrollment, funding, educational program, financial controls and practices, academic accountability and evaluations. Authorize the President and Secretary to execute the written Charter School Agreement and amendment. Authorize the Executive Senior Director of the Office of New Schools and Programs Innovation and Incubation to issue a letter notifying the Illinois State Board of Education of the action(s) approved hereunder and to submit the approved proposal and signed Charter School Agreement to the Illinois State Board of Education for certification.

LSC REVIEW: Approval of Local School Councils is not applicable to this report.

FINANCIAL: The financial implications will be addressed during the development of the 2012-2013 fiscal year budget. The enrollment cap changes will have minimal impact on school funding for 2014-15 fiscal year. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY125 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the Provisions of 105 ILCS 5/34-21.3, which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

14-1022-OP1

AMEND BOARD REPORT 14-0423-OP2
AUTHORIZE THE RENEWAL OF THE LEASE AGREEMENT WITH U.S. BANK N.A., FK/A
FIRSTSTAR BANK N.A. F/K/A FIRST COLONIAL TRUST COMPANY FOR AT
4652 SOUTH BISHOP ST FOR HAMLINE PRE-K

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a renewal lease with U.S. Bank N.A., f/k/a Firststar Bank N.A., f/k/a First Colonial Trust Company, as trustee u/t/a known as Trust # 1-5301 dated January 5, 1995 (Samy Hammad) for space located at 4652 S Bishop St. A written lease renewal agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease renewal agreement is not executed within 90 days of the date of this amended Board Report.

This October 2014 amendment is necessary to remove the option to purchase and right of first offer to purchase the Premises. In addition, Landlord's name is being corrected to reflect the bank acting as trustee on behalf of the trust.

LANDLORD: U.S. Bank N.A.
F/K/A Firststar Bank N.A.
F/NK/A First Colonial Trust Company as Trustee, Trust #1-5301
2 Shelburn Drive
Oak brook, IL 60523
Contact: Samy Hammad
Phone: (630) 915-9125
Email: shammad@msn.com

TENANT: Board of Education of the City of Chicago

PREMISES: 4652 South Bishop Street, consisting of approximately 7,900 rentable square feet. Use of parking lot is also included.

USE: Pre-K classrooms for Hamline Elementary School.

ORIGINAL TERM: The original term (authorized by Board Report 04-0526-OP2) was for a term commencing May 1, 2004 and ending April 30, 2014, with two (2) options to renew for periods of five (5) years each.

RENEWAL TERM: The term of the lease renewal shall commence on May 1, 2014 and ends June 30, 2017.

RENT: The base rent shall be \$107,257 annually (\$13.50 psf) for the 3-year renewal term.

<u>Year</u>	<u>Annual Rent</u>
Year 1	\$107,257
Year 2	\$107,257
Year 3*	\$125,133

*Term extended for two months to finish out school year **Total: \$339,647**

ADDITIONAL RENT: CPS shall be responsible for any real estate taxes assessed to the property. The taxes are estimated to be \$34,000 per year.

MAINTENANCE: CPS shall be responsible for routine maintenance including maintenance of the roof and roof equipment. CPS is responsible for all snow removal. Landlord shall be responsible for maintenance of repairs of structural portions of the premises including walls, concrete floors, roof structure, mason work, downspouts, beams, columns, and structural plumbing.

UTILITIES: CPS shall be responsible for utilities.

NO OPTION TO PURCHASE/RIGHT OF FIRST OFFER TO PURCHASE: The option to purchase the Premises and right of first offer to purchase the Premises (the "Options") are not included in the lease renewal agreement. Relinquishment of the Options is part of the consideration for the renewal rent structure.

INSURANCE/DEMNIFICATION: Any and all insurance/indemnification language shall be negotiated by the General Counsel.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease renewal agreement. Authorize the President and Secretary to execute the lease renewal agreement. Authorize the Chief Facilities Officer to execute any and all ancillary documents related to the lease renewal agreement.

AFFIRMATIVE ACTION: Exempt

LSC REVIEW: Not applicable

FINANCIAL: The total amount to be paid by the Board for the 3 year term **\$441,647**

Charge to Unit 11910, Fund 230-er 362:

FY 14 \$17,876

FY15-FY17 \$141,257*

*Figures include annual estimated tax amount

FY14 FY15 – FY17 funding is contingent upon budget appropriation and approval.

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Vice President Ruiz abstained on Board Report 14-1022-OP1.

14-1022-PR1

AUTHORIZE A NEW AGREEMENT WITH BRIAN HILL DBA HILL FOODSERVICE CONSULTING FOR SANITATION CLASSES FOR CTE CULINARY STUDENTS

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize a new agreement with Brian Hill d/b/a Hill Foodservice Consulting to provide Sanitation Classes for CTE Culinary Students through the Office of College and Career Success for a three (3) year term. Vendor was selected on a competitive basis pursuant to Board Rule 7-2. A written agreement for Vendor's services is currently being negotiated. No services shall be provided by Vendor and no payment shall be made to Vendor prior to the execution of their written agreement. The authority granted herein shall automatically rescind in the event their written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Contract Administrator : Sinnema, Mr. Ethan Cedric / 773-553-3295
CPOR Number : 14-0911-CPOR-1650

VENDOR:

1) Vendor # 49922
Brian Hill DBA Hill Foodservice Consulting
9244 SOUTH STONY ISLAND AVENUE
SUITE A
CHICAGO, IL 60617
Brian J. Hill
773 221-7801

USER INFORMATION :

Project Manager: 13725 - Early College and Career
125 S Clark Street
Chicago, IL 60603
Scherenzer-Curry, Mrs. Adrienne Nadine
773-553-3503

TERM:

The term of this agreement shall commence on November 1, 2014 and shall end on October 31, 2017. This agreement shall have three (3) options to renew for periods of one (1) year each.

EARLY TERMINATION RIGHT:

The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES:

Vendor will provide food service sanitation training for up to 25 Chicago Public Schools for the Career and Technical Education's (CTE) culinary and hospitality programs. Approximately 700 students will be participating in the food sanitation training and test preparation for the 2014-2015 school year.

DELIVERABLES:

Vendor will provide instruction that must include approved curriculum that will prepare students for the National Restaurant Education Foundation's ServSafe Food Protection Certificate and the Chicago Department of Public Health's Foodservice Sanitation Certification.

OUTCOMES:

Vendor will be required to support students to reach a greater than 90% pass rate for the National Restaurant Education Foundation's ServSafe Food Protection Certificate and the Chicago Department of Public Health's Foodservice Sanitation Certification.

COMPENSATION:

Vendor shall be paid according to the terms of the agreement: Estimated annual costs for the three (3) year term are set forth below: \$77,500.00, FY15, \$77,500.00, FY16, \$77,500.00, FY17.

REIMBURSABLE EXPENSES:
None.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreement.
Authorize the President and Secretary to execute the agreement. Authorize the Chief Officer of the Office of College and Career Success to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

This agreement is exempt from MBE/WBE review, as it was awarded via the District's CPOR process and was not assigned any MBE/WBE compliance requirements.

LSC REVIEW:
Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 369
Office of College and Career Success, 13727
\$77,500.00, FY15
\$77,500.00, FY16
\$77,500.00, FY17

Not to Exceed \$232,500.00 for the three (3) year term.

Future year funding is contingent upon budget appropriation and approval.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

14-1022-PR2

**AUTHORIZE A NEW AGREEMENT WITH THE NATIONAL OCCUPATIONAL COMPETENCY
TESTING INSTITUTE (NOCTI) FOR THE PURCHASE OF TECHNICAL COMPETENCY
ASSESSMENTS**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize a new agreement with the National Occupational Competency Testing Institute (NOCTI) to provide Technical Competency Assessments to the Office of College and Career Success for a one (1) year term. Vendor was selected on a competitive basis pursuant to Board Rule 7-2. A written agreement for Vendor's services is currently being negotiated. No services shall be provided by Vendor and no payment shall be made to Vendor prior to the execution of their written agreement. The authority granted herein shall automatically rescind in the event their written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Contract Administrator : Sinnema, Mr. Ethan Cedric / 773-553-3295
CPOR Number : 14-0929-CPOR-1652

VENDOR:

- 1) Vendor # 96818
NOCTI
500 NORTH BRONSON AVE.
BIG RAPIDS, MI 49307
Heidi Speese
800 334-6283

USER INFORMATION :

Project Manager: 13725 - Early College and Career
125 S Clark Street
Chicago, IL 60603
Turner, Mr. Johnnie Jackson
773-553-5404

TERM:

The term of this agreement shall commence on December 10, 2014 and shall end on December 31, 2015. This agreement shall have two (2) options to renew for periods of one (1) year each.

EARLY TERMINATION RIGHT:

The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES:

Vendor will provide pre-test and post-test occupational competency assessments for CTE students. The assessments shall be rigorously psychometrically tested for validity and reliability and show documented improvement in curriculum, program recognition, student learning and student job attainment.

DELIVERABLES:

Vendor will provide an estimated 3,300 pre-tests, 2,500 post-tests, 175 study guide kits and a subscription for a data extraction tool.

OUTCOMES:

Vendor's services will result in the following:

- Teachers and administrators will be able to derive standardized data from this assessment in order to evaluate and improve instruction.
- CTE stakeholders will be able to see the strengths and disparities in what the students are learning.
- The assessment will be used as a lever with post-secondary institutions to attain articulation agreements for CPS students.
- Vendor's assessment meets the requirements of the CTE Perkins grant.

COMPENSATION:

Vendor shall be paid according to the terms of the agreement: Estimated annual costs for the one (1) year term are set forth below: \$87,075.00, FY15.

REIMBURSABLE EXPENSES:

None.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Officer of the Office of College and Career Success to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

This agreement is exempt from MBE/WBE review, as it was awarded via the District's CPOR process and was not assigned any MBE/WBE compliance requirements.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 369

Office of College and Career Success, 13727

\$87,075.00, FY15

Not to Exceed \$87,075.00 for the one (1) year term.

Future year funding is contingent upon budget appropriation and approval.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

14-1022-PR3

AUTHORIZE A NEW AGREEMENT WITH CHAPIN HALL AT THE UNIVERSITY OF CHICAGO FOR A SUMMATIVE EVALUATION OF THE PASS PROGRAM

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize a new agreement with Chapin Hall Center for Children d/b/a Chapin Hall at the University of Chicago to provide a Summative Evaluation of the PASS Program to the Office of Education Options for a one (1) year term. Vendor was selected on a competitive basis pursuant to Board Rule 7-2. A written agreement for Vendor's services is currently being negotiated. No services shall be provided by Vendor and no payment shall be made to Vendor prior to the execution of their written agreement. The authority granted herein shall automatically rescind in the event their written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Contract Administrator : Sinnema, Mr. Ethan Cedric / 773-553-3295
CPOR Number : 14-0918-CPOR-1651

VENDOR:

1) Vendor # 95854
CHAPIN HALL CENTER FOR CHILDREN
DBA CHAPIN HALL AT THE UNIVERSITY
OF CHICAGO
1313 E. 60TH ST.
CHICAGO, IL 60637
Camille Turner
773 256-5146

USER INFORMATION :

Project Manager: 05281 - Office of Education Options
125 South Clark Street
Chicago, IL 60603
McEwen-Torrence, Mr. Jelani J
773-535-4417

TERM:

The term of this agreement shall commence on November 1, 2014 and shall end on October 31, 2015. This agreement shall not have any options to renew.

EARLY TERMINATION RIGHT:

The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES:

Vendor will provide a summative evaluation of the first four (4) years of the PASS (Pathways to Accelerated Student Success) program. This agreement includes three evaluation services. The first is a comprehensive analysis of student outcomes and academic performance. In particular, CPS hopes to compare the outcomes achieved in the PASS Program to Options schools that serve a similar population. The second is a detailed cost benefit analysis which not only captures an accurate programmatic cost, but includes benefits to society such as decreased recidivism and violent crime in the surrounding community. Third, CPS requires process documentation as the programs have evolved beyond the scope of the initial model that began in 2010.

DELIVERABLES:

Vendor will provide a summative evaluation report covering the first four (4) years of the PASS program.

OUTCOMES:

Vendor's evaluation will include descriptive demographic statistics of program participants, a cost benefit analysis including benefits to society by preventing students from returning to the juvenile justice system, a statistical analysis of program outcomes and academic performance and a detailed documentation of the program's process, especially between the Harper and Marshall sites.

COMPENSATION:

Vendor shall be paid according to the terms of the agreement: Estimated annual costs for the one (1) year term are set forth below: \$120,000.00, FY15.

REIMBURSABLE EXPENSES:

None.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreement.

Authorize the President and Secretary to execute the agreement. Authorize the Chief Officer of Innovation and Incubation to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

This agreement is exempt from MBE/WBE review, as it was awarded via the District's CPOR process and was not assigned any MBE/WBE compliance requirements.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 324

Office of Education Options, 05281

\$120,000.00, FY15

Not to Exceed \$120,000.00 for the one (1) year term.

CFDA#:

Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Vice President Ruiz abstained on Board Report 14-1022-PR3.

Board Member Dr. Bienen abstained on Board Report 14-1022-PR3.

14-1022-PR4

AUTHORIZE FIRST RENEWAL AGREEMENTS WITH FLOOD TESTING LABS AND GSG CONSULTANTS, INC FOR MATERIAL TESTING SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize first renewal agreements with Flood Testing Labs and GSG Consultants, Inc. to provide construction material inspection and testing services to the Department of Facilities for a one (1) year term. Written renewal agreements for Vendors' services are currently being negotiated. No services shall be provided by and no payment shall be made to any Vendor prior to execution of their renewal agreement. The authority granted herein shall automatically rescind as to each Vendor in the event their written renewal agreement is not executed within 90 days of the date of this Board Report. Information pertinent to these options is stated below.

Specification Number : 12-250059

Contract Administrator : Hernandez, Miss Patricia / 773-553-2280

VENDOR:

- 1) Vendor # 20966
GSG CONSULTANTS, INC
855 W ADAMS ST., SUITE 200
CHICAGO, IL 60607
Petra Zarco
312 733-6262

- 2) Vendor # 11567
FLOOD TESTING LABS
1945 E. 87TH ST
CHICAGO, IL 60617
Bob Hay
773 721-2200

USER INFORMATION :

Project Manager: 11860 - Facility Operations & Maintenance
125 South Clark Street 16th Floor
Chicago, IL 60603
Taylor, Ms. Patricia L
773-553-2960

ORIGINAL AGREEMENT:

The original agreements (authorized by Board Report 13-0227-PR8) are for a term commencing upon execution and ending on March 15, 2015 with 2 options to renew for periods of 12 months each. Vendors were selected on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD:

The agreements are being renewed for a one year period commencing March 16, 2015 and ending March 15, 2016.

OPTION PERIODS REMAINING:

There is 1 option period for 1 year remaining.

SCOPE OF SERVICES:

Vendors shall continue to provide all required labor, materials, equipment, overhead, profit and expertise related to the completion of geotechnical and construction material testing and inspection related services.

DELIVERABLES:

The vendors will provide structural fills and compaction testing, casisson and pile inspection, bituminous pavement testing and inspections, Portland cement concrete paving testing and inspections, cast-in-place concrete testing and inspections, masonry inspection, structural steel inspections, sprayed-on fireproofing inspection, intumescent fireproofing, through-wall fire stopping and aluminum framed entrances and storefronts inspection.

OUTCOMES:

Vendors' services will result in confirmation the materials installed in CPS' facilities meet the specified requirements.

COMPENSATION:

Vendors shall be paid based upon unit costs and hourly personnel rates as specified in their respective renewal agreements. Hourly personnel rates shall be subject to an approximate increase of 2% every 6 months, based upon Cook County Prevailing Wages. Price per project will be determined based on scope and number of tests and inspections required for that project. The total cost for this renewal term shall not exceed \$700,000.00 in the aggregate for both vendors, which amount is inclusive of any and all reimbursable expenses.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written renewal agreements. Authorize the President and Secretary to execute the renewal agreements. Authorize Chief Facilities Officer to execute all ancillary documents required to administer or effectuate the renewal agreements.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women Business Enterprise Participation (M/WBE Program) in Construction Projects the goals for this contract include 25% total MBE and 5% WBE. This contract is in full compliance with the assigned goals and the selected vendors have scheduled the following companies on the contract:

Total MBE 25%:
GSG Material Testing, Inc.
2945 W. Harrison St.
Chicago, IL 60612

Interra, Inc.
600 Territorial Dr., Suite G
Bolingbrook, IL 60440

Total WBE 5%:
Flood Testing Laboratories, Inc.
1945 E. 87th St.
Chicago, IL 60617

Occupational Training and Supply, Inc.
7233 Adams Street
Willowbrook, IL 60527

LSC REVIEW:
Local School Council approval is not applicable to this report.

FINANCIAL:

Fund: Various Capital Funds
Charge to Facilities: All School Units \$700,000.00
Parent Unit Number: 11800
Fiscal Year: FY15 - FY16
Future year funding is contingent upon budget appropriation and approval.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

14-1022-PR5

AUTHORIZE THE FIRST RENEWAL OF PRE-QUALIFICATION STATUS OF AND ENTERING INTO AGREEMENTS WITH VARIOUS CONTRACTORS TO PROVIDE GENERAL CONTRACTING SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize pre-qualification status of contractors and entering into the first renewal agreements with various contractors and master agreements with new contractors to provide general contracting services to execute the previously Board-approved capital improvement program for FY15-16. Written renewal agreements and master agreements for contractors are currently being negotiated. No services shall be provided by and no payment shall be made to any contractor prior to the execution of their respective written agreement. The pre-qualification status approved herein for each contractor shall automatically rescind in the event such contractor fails to execute their respective renewal or master agreement within 120 days of the date of this Board Report. Information pertinent to these agreements is stated below.

Facilities issued a Request for Qualifications and has pre-qualified an additional nine (9) vendors to the current pool of pre-qualified contractors.

Specification Number : 11-250006, 14-350005

Contract Administrator : Hernandez, Miss Patricia / 773-553-2280

USER INFORMATION :

Project Manager: 11860 - Facility Operations & Maintenance
125 South Clark Street 16th Floor
Chicago, IL 60603
Taylor, Ms. Patricia L
773-553-2960

TERM:ORIGINAL AGREEMENT: The original master agreements (authorized by Board Report 11-0525-PR8 as amended by 12-0425-PR9) are for a term commencing July 1, 2011 and ending December 31, 2014, with the Board having the right to extend the pre-qualification period and each master agreement for 2 additional one year periods. Contractors were selected on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD:

The term of each current agreement is being renewed for one year commencing January 1, 2015 and ending December 31, 2015.

TERM FOR NEW CONTRACTORS: The term of the pre-qualified status and each master agreement for the new contractors shall be for a period commencing January 1, 2015 and ending December 31, 2015, with the Board having the right to extend the pre-qualification period and each master agreement for 1 additional one year period.

OPTION PERIODS REMAINING:

There is one renewal option remaining for a term of one (1) year.

SCOPE OF SERVICES:

Contractors shall provide the following services:
Perform general construction contracting services required by the scope of work identified in the bid solicitation in compliance with applicable laws, rules, codes and regulations;
Procure all permits, licenses and approvals;
Plan, coordinate, administer and supervise the work;
Procure all materials, equipment, labor and vendor services required for each awarded project in accordance with the Board's Multi-Project Labor Agreement;
Provide required documents for the required insurance and provide the payment and performance bonds required for each awarded project;
Perform change order, corrective work and closeout completion;
Comply with Board directives and policies regarding each project;
Prepare and submit timely status and progress reports and update project completion schedules when requested by the Board;
Meet with Board representative(s) regularly as required to discuss work in progress and other matters; and
Provide all required M/WBE documentation when responding to a specific bid solicitation.

COMPENSATION:

The sum of payments to all pre-qualified contractors for the pre-qualification period January 1, 2015 through December 31, 2015 shall not exceed \$450,000,000 for the term (FY 15-16).

USE OF POOL:

The Board shall solicit sealed bids for each project from the pre-qualified pool. The pre-qualified contractors will be requested to furnish a lump-sum quotation in response to an invitation to bid for a defined scope of work. Each project shall be awarded to the lowest responsible, responsive bidder. A notice of award for each project shall be issued by the Chief Purchasing Officer and such award shall be ratified by the Board at the Board meeting immediately following such award.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written master and renewal agreements. Authorize the President and Secretary to execute the master and renewal agreements. Authorize Chief Facilities Officer to execute all ancillary documents required to administer or effectuate the agreements.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women Business Enterprise participation in Construction Projects (M/WBE Program), the M/WBE goals for this contract include 30% total MBE and 7% total WBE. Aggregated compliance of the Contractors in the pool will be reported on a quarterly basis.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund: Various Capital Funds
Charge to Facilities: Parent Unit 1800
FY15-16, \$450,000,000 for the renewal term
Future year funding is contingent upon appropriation and approval.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

1)	Vendor # 81957	4)	Vendor # 59563
	ALL-BRY CONSTRUCTION COMPANY		BURLING BUILDERS, INC
	145 TOWER DRIVE., UNIT 7		44 WEST 60TH STREET
	BURR RIDGE, IL 60527		CHICAGO, IL 60621
	Thomas W. Girouard		John Girzadas
	630-655-9567		888-224-3294
	630-655-9597		888-224-3297
2)	Vendor # 31784	5)	Vendor # 12256
	BLINDERMAN CONSTRUCTION CO.,		CCC JV
	8501 WEST HIGGINS RD., STE 320		9101 South Baltimore Ave
	CHICAGO, IL 60631		Chicago, IL 60617
	David Blinderman		Tina Snodgrass
	773-444-0500		773 721-2500
	773-864-5857		New
3)	Vendor # 89364	6)	Vendor # 95594
	BULLEY & ANDREWS, LLC		CHICAGO COMMERCIAL CONTRACTORS, LLC
	1755 WEST ARMITAGE AVE.		11921 SMITH DRIVE.
	CHICAGO, IL 60622		HUNTLEY, IL 60142
	Paul R. Hellerman		Frank Kutschke
	773 235-2433		224-654-2122
	New		224-654-2135
			New

7)	Vendor # 59564 CMM GROUP, INC 17704 PAXTON AVE. LANSING, IL 60438 Michael D. Bergin 708-251-5910 708-251-5912	11) Vendor # 64950 ELANAR CONSTRUCTION COMPANY 6620 WEST BELMONT AVE. CHICAGO, IL 60634-3934 Ross Burns 773 628-7011
8)	Vendor # 42778 Cornerstone Contracting, Inc 831 OAKTON STREET SUITE B ELK GROVE VILLAGE, IL 60007-1904 Christian Blake 847 593-0001	12) Vendor # 41829. FRIEDLER CONSTRUCTION CO. 2525 NORTH ELSTON AVE., #240 CHICAGO, IL 60647 Eric M.Friedler 773-489-1818
9)	Vendor # 96815 DBH SMC JOINT VENTURE 164 DIVISION STREET., STE 202 ELGIN, IL 60120 Demeke Berhanu 847 269-9368	13) Vendor # 20152 GEORGE SOLLITT CONSTRUCTION CO 790 N CENTRAL AVE WOODDALE, IL 60191 John Pridmore 630-860-7333
10)	Vendor # 22587 DOHERTY CONSTRUCTION, INC 163 N VALLEY HILL ROAD WOODSTOCK, IL 60098 Julian M. Doherty 815-334-3800 815-334-8300	630-860-7333

14)	Vendor # 23292	17)	Vendor # 97835
	H.L.F. CONSTRUCTION CO., INC.		INTERNATIONAL CONTRACTORS, INC
	150 N MICHIGAN AVE, STE 2800		977 SOUTH ROUTE 83
	CHICAGO, IL 60601		ELMHURST, IL 60126
	Hazel L. Fry		Nancy M. Quinn
	312-861-1680		630-834-8043
	312-861-1846		630-834-8046
15)	Vendor # 13288	18)	Vendor # 23996
	IDEAL HEATING COMPANY		K.R. MILLER CONTRACTORS, INC.
	9515 SOUTHVIEW AVE		1624 COLONIAL PARKWAY
	BROOKFIELD, IL 60513		INVERNESS, IL 60067
	Charles M. Usher		Keith R. Miller
	708-680-5000		847-358-6400
	708-680-5007		847-358-6504
16)	Vendor # 37318	19)	Vendor # 97144
	IHC CONSTRUCTION COMPANIES, L.L.C.		LAWDENSKY CONSTRUCTION CO.
	1500 EXECUTIVE DRIVE		1106 MORSE AVE.
	ELGIN, IL 60123		SCHAUMBURG, IL 60193
	David J. Rock		Charles Lawdensky
	847-742-1516		847-352-4371
	847-742-6610		847-352-4393

20)	Vendor # 81956	23)	Vendor # 11963
	MADISON CONSTRUCTION COMPANY		Northern Builders Inc
	15657 S. 70TH CT.		5060 River Road
	ORLAND PARK, IL 60462		Schiller Park, IL 60176
	Harry L. Walder, Jr.		Thomas Grusecki
	708-535-7716		847 678-5060
	708-535-7791		New
21)	Vendor # 99843	24)	Vendor # 37757
	MCDONAGH DEMOLITION INC		OAKLEY CONSTRUCTION CO, INC.
	1269 WEST LE MOYNE		7815 SOUTH CLAREMONT AVENUE
	CHICAGO, IL 60642		CHICAGO, IL 60620
	Geraldine McDonagh		Anthony S. Kwateng
	773-276-7707		773-434-1616
	773-276-7723		773-434-2134
22)	Vendor # 19483	25)	Vendor # 31792
	MICHUDA CONSTRUCTION		OCA CONSTRUCTION, INC
	11204 S. WESTERN AVENUE		8434 CORCORAN RD., #100
	CHICAGO, IL 60643		WILLOW SPRINGS, IL 60480-1666
	Josef I> Michuda		Kelly Heneghan
	773-445-5505		708-839-5605
	773-445-5518		708-839-5608

26)	Vendor # 11067	29)	Vendor # 69883
	OLD VETERAN CONSTRUCTION, INC		POWERS & SONS CONSTRUCTION
	10942 SOUTH HALSTED STREET		COMPANY, INC
	CHICAGO, IL 60628		2636 WEST 15TH AVE.
	Jose Maldonado		GARY, IN 46404
	773 821-9900		Kelly Baria
	New		219-949-3100
			219-949-5906
27)	Vendor # 97143	30)	Vendor # 68006
	PATRICK ALBIN CARLSON JOINT VENTURE		R.J. OLMEN COMPANY
	55 EAST MONROE STREET., STE STE 3450		3200 WEST LAKE AVE
	CHICAGO, IL 60603		GLENVIEW, IL 60026
	Paul Keating		Stanley J. Olmen
	312-201-7900		847-724-0994
	312-220-0722		847-724-7309
28)	Vendor # 55082	31)	Vendor # 63248
	PAUL BORG CONSTRUCTION CO., INC		R.T. MILORD COMPANY
	2007 SOUTH MARSHALL BLVD.		9801 INDUSTRIAL DRIVE
	CHICAGO, IL 60623		BRIDGEVIEW, IL 60455
	Dipesh Thakkar		Philip J. Milord
	773-523-1111		708-598-7900
	773-376-1501		708-598-7991

32)	Vendor # 22850	35)	Vendor # 23854
	REED ILLINOIS CORP.		SCALE CONSTRUCTION
	600 W Jackson		2101 S. CARPENTER STREET
	Chicago, IL 60661		CHICAGO, IL 60608
	Dan Cohen		Carole Zordani
	312 943-8100		312-491-9500
	New		312-491-9555
33)	Vendor # 27686	36)	Vendor # 16324
	RELIABLE & ASSOCIATES		SIMPSON CONSTRUCTION CO.
	235 N. OGDEN		701 25TH AVENUE
	CHICAGO, IL 60607		BELLWOOD, IL 60104
	Mark Giebelhausen		Robert E. Hansen
	312-666-3626		708-544-3800
	312-666-1785		708-544-1971
34)	Vendor # 12831	37)	Vendor # 97836
	REYES GROUP LTD.		SKENDER FACILITIES GROUP
	15515 S. CRAWFORD AVENUE		200 WEST MADISON, SUITE 1300
	MARKHAM, IL 60428		CHICAGO, IL 60606
	Marcos G. Reyes		Damian Eallonardo
	708-596-7100		312-781-0265
	708-596-7184		312-781-0279

38)	Vendor # 81373	41)	Vendor # 41437
	SOLLITT/OAKLEY JOINT VENTURE		UJAMAA CONSTRUCTION INC
	790 NORTH CENTRAL AVE.		7744 S. STONY ISLAND AVE.
	WOOD DALE, IL 60191		CHICAGO, IL 60649
	John Pridmore		Jimmy Akintonde
	630-860-7333		773-602-1100
	630-860-7347		773-602-1101
39)	Vendor # 62716	42)	Vendor # 12236
	STAALSEN CONSTRUCTION CO., INC.		W.E. O'Neil Construction Co
	4639 W. ARMITAGE AVENUE		1245 W Washington Blvd
	CHICAGO, IL 60639		Chicago, IL 60607
	Kenneth Klint		Bruce Thomas
	773-637-1116		773 755-1611
	773-637-8331		New
40)	Vendor # 15399	43)	Vendor # 67318
	TYLER LANE CONSTRUCTION, INC.		WALSH CONSTRUCTION COMPANY II, LLC
	4200 W VICTORIA ST.		929 WEST ADAMS STREET
	CHICAGO, IL 60646		CHICAGO, IL 60607
	Larry Vacala		Michael C. Whelan
	773-588-4500		312 563-5400
	773-588-3600		

44)	Vendor # 34010	47)	Vendor # 23048
	WIGHT & COMPANY		A.G.A.E. CONTRACTING
	2500 NORTH FRONTAGE		4549 NORTH MILWAUKEE AVE.
	DARRIEN, IL 60561		CHICAGO, IL 60630
	Ken Osmun		Robert C. Miezio
	312-261-5730		773 777-2240
	630-969-7979		
45)	Vendor # 97833		
	WILLIAM A. RANDOLPH, INC		
	820 LAKESIDE DRIVE, UNIT 3		
	GURNEE, IL 60031		
	Peter Luedeking		
	847-856-0123		
	847-856-0696		
46)	Vendor # 76326		
	F.H. PASCHEN, S.N. NIELSEN &		
	ASSOCIATES., LLC		
	5515 N. EAST RIVER RD.		
	CHICAGO, IL 60656		
	Robert Zitek		
	773 444-3474		

Vice President Ruiz abstained on Board Report 14-1022-PR5.

Board Member Dr. Bienen abstained on Board Report 14-1022-PR5.

14-1022-PR6

AUTHORIZE SECOND RENEWAL AGREEMENT WITH THE CONCORD CONSULTING GROUP OF ILLINOIS, INC. FOR COST ESTIMATING SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize second renewal agreement with The Concord Consulting Group of Illinois, Inc. to provide cost estimating services to the Department of Facilities for a one (1) year term. A written renewal agreement is currently being negotiated. No services shall be provided by Vendor and no payment shall be made to Vendor prior to execution of the written renewal agreement. The authority granted herein shall automatically rescind in the event the renewal agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Specification Number : 12-250007

Contract Administrator : Hernandez, Miss Patricia / 773-553-2280

VENDOR:

- 1) Vendor # 46678
CONCORD CONSULTING GROUP OF
ILLINOIS INC, THE
161 NORTH CLARK ST., STE 2050
CHICAGO, IL 60601
EAMON RYAN
312 424-0250
312-424-0252

USER INFORMATION :

Contact:

11860 - Facility Operations & Maintenance
125 South Clark Street 16th Floor
Chicago, IL 60603
Taylor, Ms. Patricia L
773-553-2960

TERM:ORIGINAL AGREEMENT:

The original agreement (authorized by Board Report 12-0523-PR16) in the amount of \$1,125,000 was for a term commencing upon contract execution and ending December 31, 2013 with the Board having three (3) options to renew for periods of one (1) year each. The first renewal agreement (authorized by Board Report 13-1218-PR7) in the amount of \$1,100,000 is for a term commencing on January 1, 2014 and ending on December 31, 2014.

OPTION PERIOD:

The agreement is being renewed for one (1) year commencing January 1, 2015 and ending on December 31, 2015.

OPTION PERIODS REMAINING:

There is one (1) option period for one (1) year each remaining.

SCOPE OF SERVICES:

Vendor will continue to provide cost estimating services for all work associated with school construction projects, whether by Operations and Maintenance, Capital or Public Building Commission including, but not limited to, the following:

Complete cost estimates.
Provide on-screen and digitizer take-offs and pricing including escalation rates/factors.
Derive material quantities and productivity units from Building Information Modeling (BIM) design environment.
Provide estimates at various milestones of the design life cycle, such as transfer estimates, 75% design, 100% design, and out to bid ("OTB") estimates.
Provide assessment and costing tables to supplement the CPS biannual assessment tool to assist with long term capital plan.
Review Job Order Costing Proposal for accuracy.
Provide accurate estimates including statistical analysis with respect to construction trends, material price changes, Leadership in Energy and Environmental Design ("LEED") requirements, environmental, labor disputes, and other influences in the market place.
Provide the Schedule of Values ("SOV") for bid estimates and identify areas that might require increased project control efforts to mitigate front-end loading and over expenditures.
Review all change orders using Oracle Contracts Manager.

DELIVERABLES:

Vendor will continue to provide estimating services for demolition, renovation, new construction, and utilities for the entirety of the Board's portfolio, as required during various phases of design and during construction to review and validate the cost implications associated with base work and change management. The estimates will be organized by the updated 2010 Construction Standards Institute ("CSI") Master Format. Vendor's services will be delivered in a client focused manner, seamlessly and within a web-based integrated program management environment.

OUTCOMES:

Vendor's services will result in accurate cost data and analysis which will enable the effective and efficient management of the Board's Capital Improvement Program and Operations and Maintenance Program.

COMPENSATION:

Vendor shall be paid during this option period as specified in the agreement; total compensation not to exceed the sum of \$1,100,000, which is inclusive of all reimbursable expenses.

REIMBURSABLE EXPENSES:

Vendor shall be reimbursed for direct project expenses related solely to Project activities based upon actual expenses incurred upon review and approval of supporting documentation. The total compensation amount reflected herein is inclusive of all reimbursable expenses.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the renewal agreement. Authorize the President and Secretary to execute the renewal agreement. Authorize Chief Facilities Officer to execute all ancillary documents required to administer or effectuate this option.

AFFIRMATIVE ACTION:

This contract is in full compliance with the goals required by the Remedial Program for Minority and Women Participation in Goods and Services Contracts (M/WBE Plan). The goals for this contract are 25% total MBE and 5% total WBE, and will be monitored on a quarterly basis.

The vendor has scheduled the following firms:

Total MBE 25%
Spaan Tech, Inc.
311 South Wacker Dr., Ste. 2400
Chicago, IL 60606

Total WBE 5%
Starr Design Associates, Inc.
717 W. Oakdale
Chicago, IL 60657

LSC REVIEW:
Local School Council approval is not applicable to this report.

FINANCIAL:
Fund: Various Capital Funds
Department of Facilities - Parent Unit 12150
\$1,100,000 for FY15 and FY16
Future year funding is contingent upon budget appropriation and approval.

CFDA#: Not Applicable

GENERAL CONDITIONS:
Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

14-1022-PR7

AUTHORIZE FINAL RENEWAL OF PRE-QUALIFICATION STATUS OF AND ENTERING INTO AGREEMENTS WITH CONTRACTORS TO PROVIDE VARIOUS TRADES WORK OVER \$10,000 FOR THE OPERATIONS AND MAINTENANCE PROGRAM

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the pre-qualification status of contractors and the final renewal agreements with various contractors and master agreements with ten (10) new Contractors to provide various trades for operations and maintenance work over \$10,000, for a one (1) year term. The new master agreements were awarded on a competitive basis pursuant to duly advertised supplemental Request for Qualifications (Specification Number 14-250016). Written agreements are currently being negotiated. No services shall be provided by and no payment shall be made to any Contractor during this period prior to execution of their respective written agreement. The pre-qualification status approved herein for each contractor shall automatically rescind in the event such contractor fails to execute their respective renewal or master agreement within 120 days of the date of this Board Report. Information pertinent to these agreements is stated below.

Specification Number : 11-250032, 12-250028, 13-250011, 14-250016

Contract Administrator : Hernandez, Miss Patricia / 773-553-2280

USER INFORMATION :

Project Manager: 11860 - Facility Operations & Maintenance

125 South Clark Street 16th Floor

Chicago, IL 60603

Norgren, Mrs. Leslie

773-553-2960

TERM:ORIGINAL AGREEMENT: The original Agreements (authorized by Board Report 11-1214-PR4 as amended by 12-0222-PR10, 12-1024-PR6, 13-0227-PR6, and 13-0626-PR22) in the amount of \$61,000,000 were for a term commencing January 1, 2012 and ending December 31, 2013, with the Board having two (2) options to extend for one (1) year periods. The agreements were renewed (authorized by Board Report 13-1023-PR6) in the amount of \$30,000,000 for a term commencing January 1, 2014 and ending December 31, 2014. The original agreements were awarded on a competitive basis pursuant to duly advertised Request for Qualifications (Specification Numbers 11-250032, 12-250028, and 13-250011).

OPTION PERIOD:

The renewal term of this pre-qualification period is for one (1) year, effective January 1, 2015 and ending December 31, 2015.

TERM FOR NEW CONTRACTORS: The term of the pre-qualified status and each master agreement for new Contractors shall be for a period commencing January 1, 2015 and ending December 31, 2015 with no options to renew.

OPTION PERIODS REMAINING:

There are no more option periods remaining.

SCOPE OF SERVICES:

Contractors will provide various trades/work for the Operations and Maintenance Program for projects over \$10,000 at Chicago Public Schools.

COMPENSATION:

The sum of payments to all Contractors for the pre-qualified period January 1, 2015 and ending December 31, 2015, inclusive of labor, materials and supplies, shall not exceed \$40,000,000 in the aggregate.

USE OF POOL:

The Department of Facility Operations and Maintenance and the Department of Safety and Security, shall cause bid solicitations to be issued to the pre-qualified contractors for the types of services as needed. Bids will be awarded to the lowest, responsive, responsible contractor and awards made through issuance of a purchase order by the Chief Procurement Officer or his designee. All awards and any change orders thereto will be subsequently presented to the Board for approval. Bids shall be deposited and opened in the Chicago Public Schools Department of Procurement. All Bid Notices are posted on the Department of Procurement website: <http://www.csc.cps.k12.il.us/apps/servlet/purchasing.bids.BidOpenings?SCOPE=CONST>

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written renewal and master agreements. Authorize the President and Secretary to execute the renewal and master agreements. Authorize Chief Facilities Officer to execute all ancillary documents required to administer or effectuate the agreements.

AFFIRMATIVE ACTION:

Pursuant to Section 6.2 of the Remedial Program for Minority and Women Business Enterprise participation in Construction Projects (M/WBE Program), the M/WBE goals for this contract include 26% total MBE and 5% total WBE. Aggregated compliance of the Contractors in the pool will be reported on a quarterly basis.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 230 and various capital funds
Charge to Facility Operations and Maintenance: \$37,500,000
Parent Unit Number 11800
Charge to Office of School Safety and Security: \$2,500,000
Parent Unit Number: 10600
Fiscal Year 2015 and 2016, all contingent upon budget appropriation and approval.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

<p>1) Vendor # 23490 A-1 ROOFING COMPANY 1425 CHASE AVE. ELK GROVE VLG, IL 60007 Mitchell Rabin 847 952-3600</p> <p>Trades: Roofing</p>	<p>4) Vendor # 68849 ACCURATE GENERAL CONTRACTORS 4440 NORTH KOSTNER AVE. CHICAGO, IL 60630 William V. Nino 773 594-1122</p> <p>Trades: All Trades (General Contracting)</p>
<p>2) Vendor # 32308 A.M.C. MECHANICAL , INC. 11535 WEST 183RD PLACE., UNIT 106 ORLAND PARK, IL 60467 Sylvia E. Lopez 708 479-4678</p> <p>Trades: Hvac, Pipefitting</p>	<p>5) Vendor # 39620 ADMIRAL MECHANICAL SERVICES, INC. 4150 LITT DRIVE HILLSIDE, IL 60162 Tom Vanderveen 708 544-3100</p> <p>Trades: Hvac, Pipefitting</p>
<p>3) Vendor # 76372 ABNM PLUMBING & CONTRACTOR SERVICES, INC DBA 1ST IN PLUMBING 1604 WEST AUGUSTA BLVD. #C2 CHICAGO, IL 60622 Caroline Mahic 312 241-1717</p> <p>Trades: Plumbing</p>	<p>6) Vendor # 32277 ADVANCED WIRING SOLUTIONS 4838 WEST 128TH PLACE ALSI, IL 60803 Michael Sanfratello 708 385-0916</p> <p>Trades: Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)</p>

7)	Vendor # 89040	10)	Vendor # 67463
	ALL TECH ENERGY, INC		AMICI TERRAZZO, LLC
	1000 EAST STATE PARKWAY, STE C		1522 JARVIS AVE.
	SCHAUMBURG, IL 60173		ELK GROVE VILLAGE, IL 60007
	Kathy Esposito		Carmine Tucci
	847 882-0500		847 290-9998
	Trades: Electrical		Trades: Terrazzo Flooring
8)	Vendor # 96106	11)	Vendor # 29689
	AMALGAMATED SERVICES, INC		ANCHOR MECHANICAL, INC.
	110 GOLFVIEW LN. UNIT B		255 N California
	FRANKFORT, IL 60423		Chicago, IL 60612
	Karen M. Riffice		Jack Winters
	708 417-5946		312 492-6994
	Trades: Plumbing, Hvac		Trades: All Trades (General Contracting)
9)	Vendor # 96809	12)	Vendor # 31390
	AMBER MECHANICAL CONTRACTORS, INC		ANDEE BOILER & WELDING COMPANY
	11950 SOUTH CENTRAL AVE.		7649 SO STATE STREET
	ALSI, IL 60803		CHICAGO, IL 60619-2316
	William J Beukema		Jeffrey J. Murphy
	708 597-9700		773 874-9020
	Trades: Hvac, Pipefitting		Trades: Hvac, Boiler Makers And Pipefitting

13)	Vendor # 20245 ANDERSON & SHAH ROOFING, INC. 23900 COUNTY FARM ROAD JOLIET, IL 60431-0000 Pravin M Shah 815 741-0909	16) Vendor # 98468 AUTUMN CONSTRUCTION SERVICES, INC 1400 EAST TOUHY AVE., STE 477 DES PLAINES, IL 60018 Susan Nelso 630 588-9585
	Trades: Roofing	Trades: Hvac, Pipefitting
14)	Vendor # 94881 APRIL BUILDING SERVICES, INC 22W274 IRVING PARK RD. ROSELLE, IL 60172 Carmen Guzman 630 373-7666	17) Vendor # 11380 B.E.T.O.N CONSTRUCTION 5097 N. ELSTON STE #305 CHICAGO, IL 60630 Violetta Gutowska 773 283-5100
	Trades: Masonry	Trades: Masonry, Laborers
15)	Vendor # 25485 ARLINGTON GLASS & MIRROR CO. 4547 N MILWAUKEE AVENUE CHICAGO, IL 60630 Aleksander Peric 773 283-0737	18) Vendor # 98504 BCBM,LLC 3023 NORTH CLARK STREET, #155 CHICAGO, IL 60657 Brent Campbell 312 550-8616
	Trades: Glazing, Sheet Metal Work	Trades: Fence Installation, Ornamental Iron Work (Ironworkers)

19)	Vendor # 29100 BIOTEK CORPORATION 2401 GARDNER RD. BROADVIEW, IL 60155 Mary T Gluck 708 343-4470 New - Trades: Carpentry, Flooring	22)	Vendor # 34765 BUCKEYE CONSTRUCTION 7827 S. CLAREMONT AVENUE CHICAGO, IL 60620 Vincent L. Difiore 773 778-8583 Trades: All Trades (General Contracting)
20)	Vendor # 31784 BLINDERMAN CONSTRUCTION CO., 8501 WEST HIGGINS RD., STE 320 CHICAGO, IL 60631 Steve Blinderman 773 444-0500 Trades: All Trades (General Contracting)	23)	Vendor # 23277 BUILDERS CHICAGO CORPORATION 5129 PEARL ST SCHILLER PARK, IL 60176 Jennifer Boy 224 654-2122 Trades: Fence Installation , Ornamental Iron Work (Ironworkers)
21)	Vendor # 61487 BRITE SITE SUPPLY, INC 4616 WEST FULLERTON CHICAGO, IL 60639 Andreas Vassilos 773 772-7300 Trades: Construction Laborers, Flooring	24)	Vendor # 89364 BULLEY & ANDREWS, LLC 1755 WEST ARMITAGE AVE. CHICAGO, IL 60622 Tim Puntillo 773 235-2433 Trades: All Trades (General Contracting)

25)	Vendor # 29238	28)	Vendor # 11800
	C.A. HAYES MECHANICAL, INC.		CARROLL SEATING COMPANY
	15311 SOUTH 70TH COURT		2105 LUNT AVE.
	ORLAND PARK, IL 60462		ELK GROVE VLG., IL 60007
	Celeste A.H. Pedota		Alex Klopp
	708 535-9100		847 434-0909
	Trades: Hvac, Sheetmetal, And Pipefitting		Trades: All Trades (General Contracting)
26)	Vendor # 16143	29)	Vendor # 98689
	CANDOR ELECTRIC		CORE MECHANICAL, INC
	7825 S CLAREMONT		2650 WEST MONTROSE., STE 118
	CHICAGO, IL 60620		CHICAGO, IL 60618
	Vincent J. Difiore		Jesse Richardson
	773 778-2626		773 267-6300
	Trades: Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)		Trades: Hvac, Boilermakers
27)	Vendor # 12157	30)	Vendor # 12083
	CARPETING ET CETERA, INC.		Broadway Electric, Inc
	11911 W 118TH STREET		831 Oakton St Suite A
	PALOS PARK, IL 60464		Elk Grove Village, IL 60007
	Steve Cetera		John R. Oehler
	708 448-0404		847 593-0010
	Trades: Carpentry		Trades: Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)

31)	Vendor # 42778	34)	Vendor # 94694
	Cornerstone Contracting, Inc		DEPUE MECHANICAL, INC
	831 OAKTON STREET SUITE B		113 S. RIDGE RD.
	ELK GROVE VILLAGE, IL 60007-1904		MINOOKA, IL 60447
	Christian Blake		Jim Jacobsen
	847 593-0001		815 255-2500
	New - Trades: General Contractor		Trades: Hvac, Pipefitting
32)	Vendor # 23669	35)	Vendor # 30991
	D&M PROPERTY MAINTENANCE, INC.		DIVANE BROS. ELECTRIC CO.
	14538 S. WESTERN		2424 N. 25TH AVENUE
	POSEN, IL 60469		FRANKLIN PARK, IL 60131
	Daniel Cronin		Daniel Divane IV
	708 293-1272		847 455-7143
	Trades: All Trades (General Contracting)		Trades: Electrical (High Voltage Wiring) And Communications (Low Voltage Wiring)
33)	Vendor # 96815	36)	Vendor # 39651
	DBH SMC JOINT VENTURE		DND ELECTRIC, INC.
	164 DIVISION STREET., STE 202		2255 CHURCH RD.
	ELGIN, IL 60120		AURORA, IL 60502
	Demeke-Berhanu-Haile		David De Leon
	847 269-9368		630 585-0938
	Trades: All Trades (General Contracting)		Trades: Electrical (High Voltage Wiring)

37)	Vendor # 94554	40)	Vendor # 96868
	DSR GROUP, INC		ECO LIGHTING SERVICES & TECHNOLOGY, LLC
	1234 SOUTH MICHIGAN AVE., STE C		724 WEST RACQUET CLUB DRIVE
	CHICAGO, IL 60605		ADDISON, IL 60101
	Benjamin Reyes		Debra Naybar
	312 502-5168		630 628-4280
	Trades: Carpentry, Flooring		Trades: Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)
38)	Vendor # 23896	41)	Vendor # 31747
	DYNA-CRAFT CONTRACTING, INC.		EDWARDS ENGINEERING, INC
	10762 SOUTH PROSPECT		1000 TOUHY AVENUE
	CHICAGO, IL 60643		ELK GROVE VILLAGE, IL 60007
	Craig Rollings		Brant Lieske
	773 233-9911		847 364-8100
	Trades: Carpentry		Trades: Hvac, Sheetmetal And Pipefitting
39)	Vendor # 21758	42)	Vendor # 64950
	ECKER-ERHARDT CO., INC.		ELANAR CONSTRUCTION COMPANY
	2347 W 18TH ST		6620 WEST BELMONT AVE.
	CHICAGO, IL 60608		CHICAGO, IL 60634-3934
	Frank E. Podalak		Ross Burns
	312 226-6030		773 628-7011
	Trades: Hvac		Trades: Cement Mason

43)	Vendor # 69846	46)	Vendor # 98512
	F & G ROOFING COMPANY, LLC		FFG RESTORATIONS, INC DBA SERVPRO OF LAGRANGE PARK/N.RIVERSIDE
	4234 WEST 124TH PLACE		2315 GARDNER RD., UNIT B
	ALSI P, IL 60803		BROADVIEW, IL 60155
	James Figora		James Frangella
	708 597-5338		708 240-4873
	Trades: Roofing		Trades: Sprinkler Fitting, Laborer
44)	Vendor # 31513	47)	Vendor # 96186
	FENCE MASTERS, INC		FLAVIUS A. PETCOV DBA TECHPRO DIRECT
	20400 COTTAGE GROVE AVE.		2417 NORTH 78TH AVE.
	CHICAGO HEIGHTS, IL 60411		ELMWOOD PARK, IL 60707
	Peter Biancardi		Andrew Petcov
	708 758-5250		773 977-9435
	Trades: Ornamental Iron Work (Ironworkers)		
45)	Vendor # 96887		Trades: Electrical (High Voltage Wiring) And Communications (Low Voltage Wiring)
	FENCE STORE INC, THE	48)	Vendor # 20242
	5009 WEST LAKE ST.		GALAXY ENVIRONMENTAL, INC.
	MELROSE PARK, IL 60160		3566 NORTH MILWAUKEE AVE.
	Jim Wall		CHICAGO, IL 60641
	708 410-1400		George Salinas
	Trades: Fence Installation And Ornamental Iron Work (Ironworkers)		773 427-2980
			Trades: Labor Work

49)	Vendor # 25867	52)	Vendor # 30083
	GARRIGAN CONSTRUCTION, INC.		GROVE MASONRY MAINTENANCE, INC
	1022 FERDINAND AVE.		4234 WEST 124TH PLACE
	FOREST PARK, IL 60130-2204		ALSIP, IL 60803
	Rosemary Hepner		Brade Grove
	708 488-8170		708 385-0225
	Trades: Carpentry		Trades: Brick Masonry And Tuckpointing (Brick Mason)
50)	Vendor # 98424	53)	Vendor # 32495
	GEO SERVICES, INC DBA S & H ELECTRIC CO., INC		HARDY CORPORATION
	1235 EAST DAVIS ST., #101		711 WEST 103 RD STREET
	ARLINGTON HEIGHTS, IL 60005		CHICAGO, IL 60628
	Mark Heffernan Sr		Kimberly Hardy-Spauld
	847 255-7300		773 779-6600
	Trades Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)		Trades: All Trades (General Contracting)
51)	Vendor # 17958	54)	Vendor # 49471
	GREATLINE COMMUNICATIONS		HOPKINS ILLINOIS ELEVATOR CO.
	P.O. BOX 1452		832 N. WOLCOTT AVENUE SUITE A
	SOUTH HOLLAND, IL 60473		CHICAGO, IL 60622-4937
	Joseph Blandford		Carol H. Siemion
	708 331-8707		773 486-3350
	Trades: Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)		Trades: Elevator Construction

55)	Vendor # 92029	58)	Vendor # 44509
	HORIZON CONTRACTORS, INC		ILLINOIS WINDOW & GLASS SERVICE, INC
	1355 WEST FULTON STREET		DBA IW & G, INC
	CHICAGO, IL 60607		1341 PALMER STREET
	Christine Chung Hurley		DOWNERS GROVE, IL 60516
	312 850-3010		Al Arreguin
	Trades: Electrical (High Voltage Wiring)		708 576-8421
56)	Vendor # 23310		Trades: Brick Masonry And Tuckpointing (Brick Mason)
	HUDSON BOILER & TANK CO	59)	Vendor # 69613
	1725 W HUBBARD STREET		IMPERIAL LIGHTING MAINTENANCE CO.
	CHICAGO, IL 60622		4555 NORTH ELSTON AVE.
	Brent Tillman		CHICAGO, IL 60630
	312 666-4780		Todd Mendelsohn
	Trades: Hvac, Boilermakers		773 794-1150
57)	Vendor # 13288		Trades: Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)
	IDEAL HEATING COMPANY	60)	Vendor # 13332
	9515 SOUTHVIEW AVE		INDEPENDENT MECHANICAL INDUSTRIES, INC
	BROOKFIELD, IL 60513		4155 N. KNOX AVENUE
	Charles M. Usher Jr.		CHICAGO, IL 60641-1915
	708 680-5000		Ronald F. marshall
	Trades: All Trades (General Contracting), Hvac		773 282-4500
			Trades: Hvac, Pipefitting, Boilermakers And Brick Masons

61)	Vendor # 30008	64)	Vendor # 27990
	INDIGO CONSTRUCTION SERVICES, INC		INTERSTATE ELECTRONICS CO.
	1016 INDUSTRY RD.		600 JOLIET ROAD
	NEW LENOX, IL 60451		WILLOWBROOK, IL 60527
	Evelyn Difilippo		Gregory P. Kuzmic
	815 463-9200		630 789-8700
	Trades: All Trades (General Contracting)		Trades: Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)
62)	Vendor # 31847	65)	Vendor # 94880
	INDUSTRIAL FENCE, INC		IWANSKI-PYZIK MASONRY & BUILDERS, INC
	1300 SOUTH KILBOURN		1000 N. ROHLWING RD., STE 40
	CHICAGO, IL 60623		LONARD, IL 60148
	Alan Tutje		Paul Iwanski
	773 521-9900		630 317-7300
	Trades: Fence Installation And Ornamental Iron Work (Ironworkers)		Trades: Masonry
63)	Vendor # 98538	66)	Vendor # 90672
	INTERNATIONAL CHIMNEY CORPORATION		JAMESON SHEET METAL, INC
	20622 S. AMHERST COURT		23824 INDUSTRIAL DR.
	JOLIET, IL 60433		PLAINFIELD, IL 60585
	Roger Kearley		Sondra Joyce
	815 727-0966		815 577-5277
	New - Trades: Bricklayers, Craftworkers		Trades: Hvac (Sheetmetal)

67)	Vendor # 25920	70)	Vendor # 23378
	JAYMOR ELECTRIC, INC.		JM POLCURR, INC.
	500 PARK AVENUE		10127 WEST ROOSEVELT RD.
	LAKE VILLA, IL 60046-6557		WESTCHESTER, IL 60154
	Maureen Jung		John Marquez
	847 245-4700		708 450-1156
	Trades: Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)		Trades: Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)
68)	Vendor # 38000	71)	Vendor # 21217
	JENSEN WINDOW CORP.		JONES & CLEARY ROOFING CO.,
	7641 W 100TH PLACE		6838 S SOUTH CHICAGO AVE
	BRIDGEVIEW, IL 60455		CHICAGO, IL 60637
	Jeffrey W. Jenson		William J. Cleary III
	708 599-5990		773 288-6464
	Trades: Carpentry		New - Trades: Roofing, Sheetmetal
69)	Vendor # 94652	72)	Vendor # 29871
	JJ SERVICES BAIER		JONES ENVIRONMENTAL CONTROL, INC
	8055 WEST 123RD STREET		19144 S. BLACKHAWK PARKWAY
	PALOS PARK, IL 60464		MOKENA, IL 60448
	Brian Baier		Joahn Schleicher
	708 420-3100		815 464-0591
	New - Trades: Hvac, Pipefitters, Laborers		Trades: Hvac, Pipefitting, Boilermakers And Brick Mason

73)	Vendor # 94879	76)	Vendor # 30750
	KINGDOM COMMUNITY CONSTRUCTION, LLC		L.D. FLOORING CO., INC.
	5312 WEST CHICAGO AVE.		1354 RIDGE AVE
	CHICAGO, IL 60651		ELK GROVE VILLAGE, IL 60007
	John T. Abercrombie		Lidia Margelu
	773 287-1246		847 364-4467
	Trades: Carpentry, Painting		Trades: Flooring, Carpentry
74)	Vendor # 35959	77)	Vendor # 89675
	KNICKERBOCKER ROOFING & PAVING CO., INC		LIVEWIRE ELECTRICAL SYSTEMS, INC
	16851 S. LATHROP STREET		16341 FRONTAGE RD.
	HARVEY, IL 60426		OAK FOREST, IL 60452
	Paul V. Cronin		Angela Drexel
	708 339-7260		708 535-6001
	Trades: Roofing And Sheetmetal		Trades: Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)
75)	Vendor # 25247	78)	Vendor # 14656
	L. MARSHALL, INC		M. W. POWELL COMPANY 1
	2100 LEHIGH ROAD		3445 S LAWNDALE AVE
	GLENVIEW, IL 60026		CHICAGO, IL 60623
	Lawrence P. Marshall		Anthony J. Rogue
	847 724-5400		773 247-7438
	Trades: Roofing And Sheetmetal		Trades: Roofing And Sheetmetal Work

79)	Vendor # 22473	82)	Vendor # 67315
	MARKE PLUMBING, INC.		MIDWEST PLUMBING & HEATING, INC
	2720 E. MICHIGAN BLVD.		655 CASSIE DR.
	MICHIGAN CITY, IN 46360		JOLIET, IL 60435
	Mark Kilcoyne		Gary Weich
	219 879-0471		815 735-8667
	Trades: Plumbing		New - Trades: Plumbing, Mechanical
80)	Vendor # 25993	83)	Vendor # 15742
	MBB ENTERPRISES OF CHICAGO,		MORENO & SONS, INC
	3352 WEST GRAND AVE.		2366 PLAINFIELD RD
	CHICAGO, IL 60651		CREST HILL, IL 60435
	Janine Barsh		Mario Moreno
	773 278-7100		815 725-8600
	Trades: Brick Masonry And Tuckpointing (Brick Mason)		Trades: Carpentry
81)	Vendor # 27286	84)	Vendor # 30913
	MECO ELECTRIC CO., INC.		MUNICIPAL ELEVATOR SERVICES, INC
	3717 W. BELMONT AVE.		5420 W. SUNNYSIDE AVENUE
	CHICAGO, IL 60618		CHICAGO, IL 60630-0000
	Paul R. Micahelsen		Gerald Rangel
	773 463-7800		773 777-8355
	Trades: Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)		Trades: Elevator Construction

85)	Vendor # 45621	88)	Vendor # 12030
	MURPHY & JONES, INC.		Montel Technologies LLC
	4040 N. NASHVILLE AVENUE		333 W Ohio St Ste 101
	CHICAGO, IL 60634		Chicago, IL 60654
	Edward M. Latko Jr.		Ray Montelongo
	773 794-7900		815 966-1267
	Trades: All Trades (General Contracting)		New - Trades: Low Voltage Electrical
86)	Vendor # 61234	89)	Vendor # 21568
	MVP FIRE SYSTEMS, INC		NATIONAL INTERNATIONAL ROOFING CORP.
	16524 SOUTH KILBOURN AVE.		11317 SMITH DRIVE
	OAK FOREST, IL 60452		HUNTLEY, IL 60142
	Robert K. Wasniewski		Scott Dvorak
	708 371-1594		847 669-3444
	Trades: Sprinkler Fitting		Trades: Roofing
87)	Vendor # 65706	90)	Vendor # 68969
	MZI BUILDING SERVICES, INC		NORTH TOWN MECHANICAL CONTRACTOR
	2251 WEST GRAND AVE.		18 CONGRESS CIRCLE W
	CHICAGO, IL 60612		ROSELLE, IL 60172
	Arthur Miller		Laura Anderson
	312 492-8740		847 427-2600
	Trades: Electrical, Laborers, And Pipefitting		Trades: Hyac, Pipefitting

91)	Vendor # 94878	94)	Vendor # 14436
	NORTHWEST COMMUNICATIONS, INC		OOSTERBAAN & SONS COMPANY
	8762 LOUISIANA ST., STE D		2515 W 147TH ST
	MERRILLVILLE, IN 46410		POSEN, IL 60469
	Mark Lazerwitz		Gregory T. Oosterbaan
	219 756-4233		708 371-1020
	Trades: Communications (Low Voltage Wiring)		Trades: Painting
92)	Vendor # 11963	95)	Vendor # 49725
	Northern Builders Inc		PACE SYSTEMS, INC
	5060 River Road		2040 CORPORATE LANE
	Schiller Park, IL 60176		NAPERVILLE, IL 60563
	Thomas Grusecki		Wayne Liu
	847 678-5060		630 395-2212
	New - Trades: General Contractors		Trades: Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)
93)	Vendor # 17883	96)	Vendor # 97056
	OAK BROOK MECHANICAL SERVICES		PAGODA ELECTRIC, INC
	961 SOUTH RT 83		6516 West Archer Avenue
	ELMHURST, IL 60126		Chicago, IL 60638
	Mark Sullivan		Vincent Mills
	630 941-3555		773 229-8800
	Trades: Hvac, Pipefitting		Trades: Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)

97)	Vendor # 38609	100)	Vendor # 15173
	PARKWAY ELEVATORS		PHOENIX SYSTEMS & SERVICE, INC.
	499 KENT RD.		362 S. SCHMALE RD.
	RIVERSIDE, IL 60546		CAROL STREAM, IL 60188
	John Posuszny		Mike Gardner
	708 442-1458		630 860-9501
	Trades: Elevator Construction		Trades: Communications (Low Voltage Wiring)
98)	Vendor # 98724	101)	Vendor # 49886
	PAVEMENT SYSTEMS, INC		PIERPORT CONSTRUCTION INC.
	13820 S. CALIFORNIA AVE		1900 N. AUSTIN AVE.
	BLUE ISLAND, IL 60406		CHICAGO, IL 60639
	James Land		Peter T. Arenson
	708 396-8888		773 385-5700
	Trades: Cement Masonry		Trades: Roofing
99)	Vendor # 68970	102)	Vendor # 25532
	PENTEGRA SYSTEMS, LLC		PROCOM ENTERPRISES LTD.
	650 WEST GRAND AVE., STE 315		951 BUSSE ROAD
	ELMHURST, IL 60126		ELK GROVE, IL 60007
	Edward G. Karl		Jacek Zaworski
	630 941-6000		888 657-0101
	Trades: Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)		Trades: Communications (Low Voltage Wiring)

103)	Vendor # 23503	106)	Vendor # 24108
	QU-BAR MECHANICAL, INC.		R.B. MEX. WINDOW CLEANING INC
	4163 WEST 166TH STREET		16824 S LARAMIE
	OAK FOREST, IL 60452		OAK FOREST, IL 60452
	Walter Choksi		Jared Garnica
	708 339-8360		708 560-7226
	Trades: Hvac		New - Trades: Painting, Laborers
104)	Vendor # 32334	107)	Vendor # 98526
	QUANTUM CROSSINGS, INC.		RABINE UTILITY PAVEMENTS, LLC AKA G.
	111 EAST WACKER DRIVE, SUITE 990		RABINE & SONS, INC
	CHICAGO, IL 60601		900 NATIONAL PARKWAY, STE 260
	Roger J. Martinez		SCHAUMBURG, IL 60173
	312 467-0065		Brad Wagner
	Trades: Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)		847 995-0555
105)	Vendor # 63286	108)	Vendor # 30989
	R. COMMERCIAL ROOFING SOLUTIONS, LLC		RENAISSANCE COMMUNICATION SYSTEMS, INC
	900 NATIONAL PARKWAY, STE 260		3509 MARTENS ST.
	SCHAUMBURG, IL 60173		FRANKLIN PARK, IL 60131
	Rob Bajarunas		Michael Shares
	815 530-5588		847 671-1340
	Trades: Roofing		Trades: Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)

109)	Vendor # 98713	112)	Vendor # 96486
	RESTORE MASONRY, LLC		ROBERT YIU CONSTRUCTION, INC
	5721 NORTH TRIPP AVE.		P.O. BOX E
	CHICAGO, IL 60646		HINSDALE, IL 60522
	Larry Vacala		Robert Yiu
	773 588-4555		630 325-6800
	Trades: Brick Masonry And Tuckpointing (Brick Masons)		Trades: Carpentry, Cement Masonry
110)	Vendor # 12831	113)	Vendor # 79752
	REYES GROUP LTD.		SANCHEZ PAVING COMPANY, INC
	15515 S. CRAWFORD AVENUE		16309 SOUTH CRAWFORD
	MARKHAM, IL 60428		MARKHAM, IL 60428
	Marcos G. Reyes		A
	708 596-7100		708 333-1300
	Trades: Cement Masonry (Cement Masons, Laborers, And Operating Engineers)		New - Trades: Concrete, Asphalt
111)	Vendor # 97994	114)	Vendor # 63604
	RIVERSIDE MECHANICAL SERVICES, INC		SCHECK MECHANICAL CORPORATION
	712 CENTER RD.		500 EAST PLAINFIELD RD.
	FRANKFORT, IL 60423		COUNTRYSIDE, IL 60525
	Christine A. Watt-Sehring, Esq.		Ron Wintercorn
	773 254-7446		708 482-8100
	Trades: Hvac, Pipefitting		Trades: Hvac, Pipefitting

115)	Vendor # 22906	118)	Vendor # 43999
	SHARLEN ELECTRIC COMPANY		SOUTHWEST INDUSTRIES INC, DBA
	P O BOX 17597		ANDERSON ELEVATOR COMPANY
	CHICAGO, IL 60617		2801 SOUTH 19TH AVENUE
	William J. Cullen		BROADVIEW, IL 60155-4758
	773 721-0700		Gregory V. Gibbs
	Trades: Electrical (High Voltage Wiring)		708 345-9710
116)	Vendor # 31960	119)	Trades: Elevator Construction
	SKYWAY ELEVATOR REPAIR CO M		Vendor # 62716
	P.O. BOX 16490		STAALSEN CONSTRUCTION CO., INC.
	CHICAGO, IL 60616		4639 W. ARMITAGE AVENUE
	Michelle Hibbler		CHICAGO, IL 60639
	773 326-4410		Kenneth Klint
	Trades: Elevator Construction		773 637-1116
117)	Vendor # 96386		Trades: Carpentry And Cement Masonry (Cement Finisher)
	SMART ELEVATORS CO.	120)	Vendor # 26041
	1636 CANYON RUN RD.		STANTON MECHANICAL, INC.
	NAPERVILLE, IL 60565		170 GAYLORD
	Suzy Martin		ELK GROVE VILLAGE, IL 60007
	630 544-6829		James Stanton
	Trades: Elevator Construction		847 434-5100
			Trades: Hvac, Pipefitting, Boilermakers, And Plumbing

121)	Vendor # 44879 SUAREZ ELECTRIC CO. 4439 W. MONTROSE AVE. CHICAGO, IL 60647 David M. Suarez 773 202-9077 Trades: Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)	124) Vendor # 20156 TOLTECH PLUMBING CONTRACTORS, LLC 4366 W. OGDEN AVE CHICAGO, IL 60623 Virginia L. Reyes 773 521-8790 Trades: Plumbing
122)	Vendor # 23957 T & J PLUMBING, INC. 5251 W. BELMONT AVENUE CHICAGO, IL 60641 Catherine Freihage 773 545-4422 Trades: Plumbing	125) Vendor # 59585 UNION CONTRACTING, INC 3845 WEST LAKE STREET CHICAGO, IL 60624 John Brinckeroff 312 666-1904 Trades: Brick Masonry, Tuckpointing (Brick Masons)
123)	Vendor # 20133 TELEPLUS, INC. 724 RACQUET CLUB DRIVE ADDISON, IL 60101 Mike Clancy 630 543-3066 Trades: Communications (Low Voltage Wiring), And Electrical (High Voltage Wiring)	126) Vendor # 44599 VIDEO & SOUND SERVICE, INC. 40 W LAKE ST NORTH LAKE, IL 60164 Patricia Pendergast 708 562-6316 Trades: Communications (Low Voltage Wiring) And Electrical (High Voltage Wiring)
127)		127) Vendor # 89964 WESTSIDE MECHANICAL GROUP, INC 2007 CORPORATE LN. NAPERVILLE, IL 60563 James F. Reiss 630 369-6690 Trades: Hvac

Vice President Ruiz abstained on Board Report 14-1022-PR7.

Board Member Dr. Bienen abstained on Board Report 14-1022-PR7.

14-1022-PR8

**AUTHORIZE RENEWAL AGREEMENT WITH
INTEGRYS ENERGY SERVICES - NATURAL GAS, LLC.
FOR NATURAL GAS SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve renewing the existing agreement with Integrys Energy Services - Natural Gas, LLC ("Supplier") to supply the necessary natural gas services to all of the Board's facilities at an estimated annual cost set forth below. A written renewal agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written renewal agreement is not executed within 120 days of the date of this Board Report. Information pertinent to this renewal is stated below.

SUPPLIER: Vendor Number 76798
INTEGRYS ENERGY SERVICES - NATURAL GAS, LLC
1716 LAWRENCE DRIVE
DEPERE, WI-54115
Kirsten Young, Director of Regional Sales
312 681-1805

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report 14-0122-PR9) is for a term commencing February 18, 2014 and ending March 31, 2016 with the number and period of any renewal or extension options to be determined by the Chief Financial Officer and the Chief Facilities Officer dependent upon pricing and market conditions. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD: The term of the agreement is being renewed for a one year period commencing on April 1, 2016 and ending on March 31, 2017.

SCOPE OF SERVICES: Supplier will continue to supply the Board's full requirements for natural gas including, but not limited to, space and hot water heating to all of the Board's facilities.

COMPENSATION: Supplier shall be compensated at the rates set forth in the renewal agreement.

AUTHORIZATION: Authorize the General Counsel to include insurance and indemnification provisions and other relevant terms and conditions in the renewal agreement. Authorize the Chief Facilities Officer to execute the renewal agreement subject to approval as to legal form by the General Counsel. Authorize the General Counsel to execute all ancillary documents required to administer or effectuate the renewal agreement.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council review is not applicable to this matter.

FINANCIAL: Charge to Operations: Not to exceed \$30 million for the period of the renewal
Budget Classification: 11880-230-53125-254004

GENERAL CONDITIONS:

Inspector General - Each party to the Agreement(s) shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The Agreement(s) shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the Agreement(s).

Ethics - The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the Agreement(s).

Contingent Liability - The Agreement(s) shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Vice President Ruiz abstained on Board Report 14-1022-PR8.

14-1022-PR9

**AUTHORIZE RATIFICATION OF RENEWAL AGREEMENT WITH CIC ENERGY CONSULTING, LLC
FOR EXTERNAL ENERGY FUNDING ACQUISITION CONSULTING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize ratification of renewal agreement with CIC Energy Consulting, LLC to provide external energy funding acquisition consulting services to the department of Facilities for a one (1) year term. One hundred percent of the cost for CIC's services will be paid out through an Illinois Department of Commerce and Economic Opportunity (IL DCEO) Energy Efficiency Grant that provides 100% of CIC's service cost. A written renewal agreement for Vendor's services is currently being negotiated. No payment shall be made to Vendor prior to the execution of their renewal agreement. The authority granted herein shall automatically rescind in the event the renewal agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Contract Administrator : Hernandez, Miss Patricia / 773-553-2280
CPOR Number : 13-0606-CPOR-1571

VENDOR:

1) Vendor # 99776
CIC ENERGY CONSULTING, LLC
30 S. WACKER DRIVE STE 1700
CHICAGO, IL 60606
Ken Anno

USER INFORMATION :

Project Manager: 11860 - Facility Operations & Maintenance
125 South Clark Street 16th Floor
Chicago, IL 60603
Martin, Mr. Brian William
773-553-2960

ORIGINAL AGREEMENT:

The original agreement (authorized by 13-0828-PR13) in the amount of \$250,000 was for a term commencing on October 18, 2013 and ending October 17, 2014 with the Board having one (1) option to renew the agreement for a period of twelve (12) months. Vendor was selected on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD:

The term of the agreement is being renewed for a period commencing October 18, 2014 and ending October 17, 2015.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

CPS was awarded with a \$5 million Key Account Energy grant from IL DCEO to support identifying and securing energy efficiency grant dollars available in existing Capital and Asset construction projects. CIC Energy will partner with CPS' Department of Facility Operations & Maintenance to identify all possible External Energy Efficiency Funding opportunities that will help CPS maximize its outside funding and reduce its overall cost. The services will include the following for approximately 500 projects: review of existing scopes & specifications, collection of required documentation and data necessary for each project, development of audit methodology to present data to IL DCEO, conducting energy savings calculations, conducting pre and post site visits to capture data and photos of the project and on site walk through with IL DCEO annual auditors.

DELIVERABLES:

CIC Energy will continue to assist CPS in securing an estimated \$8-10 million in grant incentives estimated to be available under existing Capital & Asset projects. CIC Energy will provide quarterly financial and project progress reports identifying the following:- Total number of potential energy efficiency project candidates- Total possible grant values available for each project- Total energy savings for each energy efficiency grant submitted- Total number of grant applications submitted to date- Status of applications submitted

OUTCOMES:

Vendor's services will provide CPS with the necessary resources to identify energy efficiency rebate dollars from existing CPS projects with no out of pocket expense to CPS. With the award of the FY15 IL DCEO Key Accounts grant CPS now has an opportunity to secure up to \$5 million in additional cost savings through existing Capital and Asset construction projects.

COMPENSATION:

Vendor shall be paid as follows: 7.5% of all external revenue (grants/rebates) not to exceed the sum of \$250,000. CIC Energy will only be paid after CPS has received the grant dollars from IL DCEO for each project. One hundred percent of CIC Energy's contract cost will be paid through an awarded 5% administration fee associated with the IL DCEO Key Account Grant.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written option document. Authorize the President and Secretary to execute the option document. Authorize Chief Facilities Officer to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION:

This agreement is exempt from MBE/WBE review, as it was awarded via the District's CPOR process and was not assigned any MBE/WBE participation requirements.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund: 436

Parent Unit: 12150, Department of Facilities

\$250,000, FY15-16

Source of Funds: IDCEO Grant

Future year funding is contingent upon budget appropriation and approval.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

14-1022-PR10

AUTHORIZE A NEW AGREEMENT WITH VARIOUS VENDORS FOR SNOW REMOVAL SERVICES, ICE MELT PRODUCTS AND ON CALL GROUNDS KEEPING SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize new agreements with Various Vendors to provide snow removal services, supply of ice melt products, and on-call grounds keeping services to the Department of Facilities for a three (3) year term. Vendors were selected on a competitive basis pursuant to Board Rule 7-2. Written agreement for Vendors' services are available for signature. No services shall be provided by and no payment shall be made to any Vendor prior to execution of their written agreement. The authority granted herein shall automatically rescind as to each Vendor in the event their written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to these agreements is stated below.

Specification Number : 14-250003

Contract Administrator : Hernandez, Miss Patricia / 773-553-2280

USER INFORMATION :

Project Manager: 11860 - Facility Operations & Maintenance
125 South Clark Street 16th Floor
Chicago, IL 60603
Norgren, Mrs. Leslie
773-553-2960

TERM:

The term of each agreement shall commence on November 1, 2014 and shall end on November 1, 2017. Each agreement shall have two (2) options to renew for periods of one (1) year each.

EARLY TERMINATION RIGHT:

The Board shall have the right to terminate each agreement with 30 days written notice.

SCOPE OF SERVICES:

Vendors are awarded the zones as specified herein.

Snow Removal Services: Services will include all labor, materials, supervision and equipment necessary to provide snow plowing services at all occupied CPS facilities. Bid includes manual snow removal rate to clear pedestrian walkways at CPS facilities as needed.

Ice Melt: Supply of ice melt products (i.e., sodium chloride, calcium chlorides, blends) effective at various temperature degrees (price per bag and per pallet), including all fees and delivery to CPS sites.

On-Call Services: Zones in this section include unoccupied buildings, turf fields, vacant lots, and stadiums. Services to these sites will include, but not limited to, basic maintenance such as mowing as needed, trash and litter removal, and seasonal grooming of artificial turf.

OUTCOMES:

Vendors' services will result in :

Snow Removal Services: Centrally managed snow removal contract will provide the district the ability to keep its parking lots and pedestrian walkways safe, accessible and free from snow and ice during the winter season. Snow removal services across the district will be streamlined and operational efficiency will be improved by: outlined level of service guidelines; optimized services routes and schedules; clear communication/call out plans; established transparent and lower pricing; outlined terms and conditions; simplified invoicing; mitigated risks; and managed and reduced costs.

Ice Melt: Supply of ice melt products will provide the district a low uniform price for the products and ensure timely delivery.

On-Call Services: It is more cost effective to have contracted vendors at the hourly rates bid, than to have facilities staff perform the services. Unoccupied sites, lots, fields, and stadiums will be properly maintained throughout the year.

COMPENSATION:

Vendors shall be paid as specified in their respective agreement. Estimated costs for the three (3) year term are set forth below: Estimated aggregate amount of \$13,500,000, FY15, FY16, and FY17

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreements. Authorize the President and Secretary to execute the agreements. Authorize Chief Facilities Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts, the aggregate method for M/WBE participation will be utilized. Thus, contracts for subsequent vendors in the pool created by this agreement will be subjected to compliance reviews on an aggregate basis. Aggregated compliance of the vendors in the pool will be reported on a monthly basis. The M/WBE participation goals for this agreement are 35% total MBE and 10% WBE participation.

Total MBE - 35%
KGI Landscaping Co.
P.O. Box 265
Skokie, IL 60076
Contract: Gabriel Hostalet

R. Rojas Landscape, Inc.
5124 S. Tripp Ave.
Chicago, IL 60632
Contact: Ramiro Rojas

Tovar Snow Professionals, Inc.
195 Penny Ave.
East Dundee, IL 60118
Contact: John Cavalier

Total WBE - 10%

We're Cleaning, Inc.
2416 S. Michigan Ave. #201
Chicago, IL 60616
Contact: Yvonne McGinnis

LSC REVIEW:
Local School Council approval is not applicable to this report.

FINANCIAL:
Fund 230
Facilities Department, Unit 11800
\$13,500,000, FY15, FY16, and FY17
Future year funding is contingent upon budget appropriation and approval.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

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<p>1) Vendor # 68849 ACCURATE GENERAL CONTRACTORS 4440 NORTH KOSTNER AVE. CHICAGO, IL 60630 William V. Nino 773 594-1122</p> <p>Zones 23, 24, 25, 26</p>	<p>4) Vendor # 67057 R. ROJAS LANDSCAPE, INC 5124 SOUTH TRIPP CHICAGO, IL 60632 Ramiro Rojas 773 443-2021</p> <p>Zone: 33</p>
<p>2) Vendor # 12191 Tovar Snow Professionals Inc 195 Penny Ave East Dundee, IL 60118 John Cavalier 847 695-0080</p> <p>Zones: 15, 16, 17, 18, 19, 20, 21, 22, 27, 28</p>	<p>5) Vendor # 97430 A SAFE HAVEN FOUNDATION 2750 WEST ROOSEVELT RD. CHICAGO, IL 60608 Kris Sokol 773 435-8300</p> <p>Zones: 29, 31, 32, 34</p>
<p>3) Vendor # 29369 DUMORE SUPPLIES, INC. P.O. BOX 16200 CHICAGO, IL 60616-0000 Howie Rosenstein 312 949-6260</p> <p>Ice Melt Products: All Product Types</p>	<p>6) Vendor # 94905 KGI LANDSCAPING CO. P.O. BOX 265 SKOKIE, IL 60076 Gabriel Hostalet 847 675-4221</p> <p>Zones: 30, 35</p>

14-1022-PR11

**REPORT ON THE AWARD OF CONSTRUCTION CONTRACTS AND CHANGES TO CONSTRUCTION
CONTRACTS FOR THE BOARD OF EDUCATION'S CAPITAL IMPROVEMENT PROGRAM**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

This report details the award of Capital Improvement Program construction contracts in the total amount of \$12,918,628.98 to the respective lowest responsible bidders for various construction projects, as listed in Appendix A of this report. These construction contracts shall be for projects approved as part of the Board's Capital Improvement Program. Work involves all labor, material and equipment required to construct new schools, additions, and annexes, or to renovate existing facilities, all as called for in the plans and specifications for the respective projects. Proposals, schedules of bids, and other supporting documents are on file in the Department of Operations. These contracts have been awarded in accordance with section 7-3 of the Rules of the Board of Education of the City of Chicago.

This report also details changes to existing Capital Improvement Program construction contracts, in the amount of \$1,279,823.58 as listed in the attached October Change Order Log. These construction contract changes have been processed and are being submitted to the Board for approval in accordance with section 7-15 of the Rules of the Board of Education of the City of Chicago, since they require an increased commitment necessitated by an unforeseen combination of circumstances or conditions calling for immediate action to protect Board property to prevent interference with school sessions.

LSC REVIEW: Local School Council approval is not applicable to this report.

AFFIRMATIVE ACTION: The General Contracting Services Agreements entered into by each of the pre-qualified general contractors and other miscellaneous construction contracts awarded outside the pre-qualified general contractor program for new construction awards and changes to existing construction contracts shall be subject to the Board's Business Diversity Program for Construction Projects and any revisions or amendments to that policy that may be adopted during the term of any such contract.

FINANCIAL: Expenditures involved in the Capital Improvement Program are charged to the Department of Operations, Capital Improvement Program.

Budget classification: Fund – 436, 468, 476, 477, 479, 480, 481, 482, 483, 484 will be used for all Change Orders (October Change Order Log); Funding source for new contracts is so indicated on Appendix A

Funding Source: Capital Funding

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

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Appendix A
October 2014

SCHOOL	CONTRACTOR	CONTRACT #	CONTRACT AMT/ROD	CONTRACT AWARD DATE	AWARD DATE	ANTICIPATED COMPLETION DATE	FISCAL YEAR	AFFIRM.	ACTION	PROJECT SCOPE & NOTES	REASONS FOR PROJECT
Audubon School	ALL-BAY CONSTRUCTION COMPANY	2818567	BID	\$ 346,000.00	9/5/2014	10/31/2014	2014	0	25	0 11	Phase 1 improvements are located on the northeast side of the campus and include a new playground, asphalt, concrete walks, donor pavers, and infrastructure for alien parking which will be finalized as part of Phase 2 site improvements. Draining, utilities, and accessibility included.
Clemente School	K.R. MULLER CONTRACTORS, INC.	2811663	JOOC	\$ 79,495.59	8/18/2014	8/31/2014	2015				The purpose of this project is to construct a Parent University at Clemente HS. This will include designing and building a Parent University to service the parents of students on the West Side of Chicago. The scope of work will include converting approximately two classroom spaces into the Parent University by painting, and providing IT upgrades and various F&E items. Construction is expected to conclude prior to the start of FY14-15.
Dodge School	K.R. MULLER CONTRACTORS, INC.	2822841	JOOC	\$ 9,699,999.98	9/15/2014	4/30/2015	2015				Complete build out of new offices spaces, conference rooms, breakout rooms as necessary to accommodate approximately 400 new staff. Scope to include all necessary IT, HVAC, lighting, plumbing, electrical work and finishes to accommodate new spaces. Scope also includes demolition of the existing parking lot and playground and installation of new parking lot and artificial turf field.
Henry School	MCDONAGH DEMOLITION INC	2810697/2725884	JOOC	\$ 657,263.84	8/14/2014	8/18/2014	2015				Summer Priority Project. The scope of this project will include providing window AC units for all classrooms and include modernizing an existing computer lab. Targeted masonry and parapet improvements to address water infiltration. Refinish existing wood flooring in 2 classrooms; replace existing resilient tile flooring in 5 classrooms.
Lloyd School	F.H. PASCIEN S.N. NIELSEN & ASSOCIATES, LLC	2816565	JOOC	\$ 90,000.00	8/29/2014	10/31/2014	2015				To install an emergency temporary chiller for the start of school.
Lyon School	ALL-BAY CONSTRUCTION COMPANY	2820554	BID	\$ 608,000.00	9/10/2014	10/31/2014	2015	0	26	0 6	Provide design and construction services for an artificial turf field, play area, and landscaping to address the drainage around the modular.
Monroe School	F.H. PASCIEN S.N. NIELSEN & ASSOCIATES, LLC	2816560	JOOC	\$ 60,000.00	8/29/2014	10/31/2014	2015				To install an emergency temporary chiller for the start of school.
Perspectives Charter School	ALL-BAY CONSTRUCTION COMPANY	2820553	BID	\$ 505,000.00	9/10/2014	11/1/2014	2014	0	60	0 5	Reconstruction of the entire driveway, which also is the primary emergency vehicle access. Reconstruction of this area includes pavement removal, earth excavation, removal and replacement of outdated infrastructure and an appropriate pavement-section for this area. Reconstruction of the North and South drive entrances is also included.
Rockne Stadium	ALL-BAY CONSTRUCTION COMPANY	2815514	BID	\$ 309,500.00	8/27/2014	10/31/2014	2015	41	0	0 6	The scope of work for this project will include the installation of pole-mounted sports lighting and connection to the existing electrical service.
Seward School	OLD VETERAN CONSTRUCTION, INC	2815901/2724286	JOOC	\$ 563,369.57	8/28/2014	8/18/2014	2015				The scope of work for this project will be limited to ADA upgrades required to support programmatic access to the facility.
										\$ 12,918,628.98	

Reasons:

1. Safety
2. Code Compliance
3. Fire and Violations
4. Deteriorated Exterior Conditions
5. Priority Mechanical Needs
6. ADA Compliance
7. Support for Educational Portfolio Strategy
8. Support for other District Initiatives
9. External Funding Provided

CPS**Chicago Public Schools
Capital Improvement Program****October 2014**These change order approval cycles range
from 08/01/14 to 08/31/14Date: 9/15/2014
Page: 1 of 16**CHANGE ORDER LOG**

School	Vendor	Project Number	Original Contract Amount	Number Change Orders	Total Change Orders	Revised Contract Amount	Total % of Contract	Oracle PO Number	Board Rpt Number
JW Von Goethe School									
2013 Goethe NCP	O.C.A. Construction, Inc.	2013-23341-NCP	\$1,207,825.00	28	\$505,102.48	\$1,712,927.48	41.82%	Reason Code 11-0525-PR8	
Change Date	App Date	Change Order Descriptions							
07/31/14	08/06/14	Labor and material to replace seeded play area with an enhanced sod for use of the field by the school this fall.							
Talman School									
2015 Talman ACD	Candor Electric, Inc.	2015-26781-ACD	\$54,185.00	3	\$16,907.50	\$71,092.50	31.20%	Reason Code 2735920	
Change Date	App Date	Change Order Descriptions							
07/23/14	08/01/14	Increase amperage of disconnects and fuses.							
07/24/14	08/01/14	The proposed A/C unit in classroom 201 falls within a fire window. The unit will be installed in the existing aluminum window transom. The proposed A/C units in classrooms 301 and 302 fall within fire windows. The units will be installed in existing aluminum windows within the classrooms.							
Lyman A Budlong School									
2015 Budlong NPL	Wight & Company	2015-22391-NPL	\$189,710.00	4	\$45,758.24	\$235,468.24	24.12%	Reason Code 2732058	
Change Date	App Date	Change Order Descriptions							
07/31/14	08/06/14	Several major safety issues including broken, worn, rusted, and missing items as well as damaged hardware were found with the existing play equipment. The scope of this change includes replacement of the play equipment items and hardware to address the safety concerns.							
Jonathan Burr Elementary School									
2015 Burr ACD	Candor Electric, Inc.	2015-22471-ACD	\$39,340.00	4	\$9,537.73	\$46,877.73	22.27%	Reason Code 2812437	
Change Date	App Date	Change Order Descriptions							
07/03/14	08/06/14	Three A/C units added to the scope.							
08/26/14	08/26/14	Contractor to re-install 17 existing window shades previously removed by others for the installation of new air conditioning units and related metal panels.							
Project Total									
									\$5,419.37

The following change orders have been approved and are being reported to the Board in areas.

Report M CHANGE_09

CPS
Chicago Public Schools
Capital Improvement Program

October 2014

These change order approval cycles range
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CHANGE ORDER LOG

School	Vendor	Project Number	Original Contract Amount	Number Change Orders	Total Change Orders	Revised Contract Amount	Total Oracle Number	Board Rpt Number
Alexander Hamilton School								
2013 Hamilton UAF	F.H. Paschen, S.N. Nielsen & Assoc	2013-23501-UAF	\$217,000.00	4	\$40,649.00	\$257,649.00	18.73%	Reason Code 2220311 11-0525-PR8
Change Date	App Date	Change Order Descriptions						
06/21/14	08/06/14	This change order became necessary because a Conn Ed duct bank was discovered to be in conflict with the proposed elevation of the turf field. The revised scope is to raise the field 7' to clear the duct bank.						
Hyde Park Career Academy								
2014 Hyde Park CAR	Reliable & Associates	2014-46177-CAR	\$58,800.00	6	\$102,350.24	\$661,150.24	18.32%	Reason Code 2718575 Discovered Conditions
Change Date	App Date	Change Order Descriptions						
08/05/14	08/12/14	Additional scope was due to water damages that were incurred at the school from a leaking storm water riser and domestic water pipe servicing a sink in science classroom #244. Sink in classroom was scheduled to be replaced as part of the base scope. Upon demolition of the chase wall the defective piping was discovered.						
08/18/14	08/28/14	Contractor to provide material and labor for the following additional scope in Room 142: 1.) Remove existing concentrator box and the conduit feeding the box mounted to the wall that was water damaged. 2.) Reinstall existing box and re-connect to concentrator panel with new EMT. Re-pull all cables from the panel back to the box, re-terminate and test.						Discovered Conditions
08/26/14	08/26/14	Contractor to provide material and labor to install door hardware at opening.						
Rachel Carson Elementary School								
2015 Carson ICR	All-Bry Construction Company	2015-22601-ICR	\$332,541.62	2	\$55,223.04	\$387,774.66	16.61%	Reason Code 2801831 Discovered Conditions
Change Date	App Date	Change Order Descriptions						
08/24/14	08/28/14	Additional scope added: 1. Remove additional 5' of existing underlayment and infill throughout the gymnasium to concrete sub-floor. 2. Provide new structural foam infill at the depressed pit along the north wall. 3. Provide new 5" structural foam infill throughout the entire room, as a substrate for the new lightweight concrete fill.						
08/28/14	08/28/14	Provide new window shades after the existing ones were found damaged & missing in areas of old & new AC locations.						Owner-Directed Project Total \$4,997.00 \$55,233.04

The following change orders have been approved and are being reported to the Board in arms.

Report_M_CHANGE_08

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CHANGE ORDER LOG

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School	Vendor	Project Number	Original Contract Amount	Number Change Orders	Total Change Orders	Revised Contract Amount	Total Oracle PO Contract Number	Board Rpt. Number
Frank W. Gunsaulus Scholastis Academy School								
2015 Gunsaulus ACD	2015-29121-ACD	Candor Electric, Inc.	\$112,385.00	1	\$17,451.55	\$129,836.55	15.63%	Reason Code
Change Date	App. Date	Change Order Descriptions						2733927
07/22/14	08/06/14	Provide material and labor for 6 additional A/C units in spaces that were not originally designated as instruction spaces						School Request
Louis J. Agassiz School								
2014 Agassiz STT	2014-220231-STT	Al-Bry Construction Company	\$122,304.19	2	\$18,517.62	\$140,821.81	15.14%	Reason Code
Change Date	App. Date	Change Order Descriptions						2802334
08/26/14	08/28/14	Provide material and labor to conduct turf field drop test.						Owner Directed
09/24/14	08/28/14	Provide material and labor to replace the existing 4' fence with 12' fence for protection & safety of the children.						\$1,367.62
Gurdon S. Hubbard High School								
2013 Hubbard LTG-1	2013-46341-LTG-1	Imperial Lighting Maintenance Co.	\$59,058.92	2	\$7,885.77	\$66,945.69	13.35%	Reason Code
Change Date	App. Date	Change Order Descriptions						2706833
07/26/14	08/06/14	Change for missing, damaged, or discolored lenses all over the school.						Omission - AOR
William Howard Taft High School								
2014 Taft MCR	2014-46311-MCR	Tyler Lane Construction, Inc.	\$10,343,950.00	17	\$1,847,583.22	\$11,691,583.22	13.03%	Reason Code
Change Date	App. Date	Change Order Descriptions						2880945
08/15/14	08/28/14	GC shall provide: 1) Perforate the vent piping. 2) Provide gypsum board and metal stud chase walls to conceal the vertical vent runs at existing walls and columns. 3) After top of casework curb as required to allow vent piping to extend up to ceiling above.						Error - Architect
08/15/14	08/26/14	Following the removal of the built in casework, trim, and chalkboards, 1" was discovered that these elements were mounted directly to the drywall walls, as such the plaster was not continuous at the wall behind. In order to achieve a smooth surface for the now exposed plaster, the plaster will have to be patched or gypsum board on furring strips will need to be installed flush with the existing plaster.						Discovered Conditions
08/15/14	08/18/14	GC shall provide 1,200 sq ft of suspended gypsum board ceiling truss in Room 308.						Discovered Conditions

The following change orders have been approved and are being reported to the Board in 3 areas.

Report M_CHANGE.log

CPS
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CHANGE ORDER LOG

School	Vendor	Project Number	Original Contract Amount	Number Change Orders	Total Change Orders	Revised Contract Amount	Total % of Contract	Oracle PO Number	Board Rpt Number
William Howard Taft High School									
2014 Taft MCR	Tyler Lane Construction, Inc.	2014-46311-MCR	\$10,343,950.00	17	\$1,347,583.22	\$11,691,533.22	13.03%	Reason Code 2886945	
Change Date	App Date	Change Order Descriptions							
08/15/14	08/22/14	Base contract scope requires the repair of asphalt areas damaged by construction operations. Provide material and labor to repair additional areas of asphalt not impacted by construction activities.							
Gordon S Hubbard High School									
2015 Hubbard ACD	Candor Electric, Inc.	2015-46341-ACD	\$238,312.00	4	\$29,934.94	\$268,246.34	12.56%	Reason Code 2733928	
Change Date	App Date	Change Order Descriptions							
07/28/14	08/18/14	The location of the electrical panels on the 1st, 2nd, and 3rd floors were changed and enclosures were added to them.							
08/15/14	08/18/14	Provide material and labor for additional A/C units that will replace existing units that did not work properly.							
08/15/14	08/19/14	Two new 1-ton A/C units were installed instead of one new 2-ton A/C unit. Also, the old outlet was not up to standard. It was removed and new powerlines were run for the 2 new needed outlets.							
Evergreen Academy School									
2015 Evergreen SEC	Greatline Communications	2015-25461-SEC	\$37,366.50	2	\$4,135.00	\$41,501.50	11.07%	Reason Code 2740726	
Change Date	App Date	Change Order Descriptions							
07/08/14	08/06/14	Axis M3007 camera to be changed to Axis M3007-PV cameras.							
08/13/14	08/14/14	Installation of two additional cameras.							
Woodlawn Community									
2015 Woodlawn SIT	Blinderman Construction Co	2015-30631-SIT	\$268,260.00	2	\$31,643.00	\$31,903.00	10.98%	Reason Code 2812444	
Change Date	App Date	Change Order Descriptions							
08/05/14	08/07/14	Contractor to provide for sewer cleaning and televising of the onsite sewers to the next downstream structure in the alley. Also, from the manhole just west of the playlot to the main in S. Kimball Ave.							
08/19/14	08/26/14	A survey was ordered to obtain the current elevations and provide the locations of the underground storm water drainage system. A complete set of IFC drawings has been issued which changes the original OTB drawings.							
The following change orders have been approved and are being reported to the Board in areas.									
Report M_CHANGE_09									
Project Total									
\$31,643.00									

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Chicago Public Schools Capital Improvement Program

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These change order approval cycles range
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CHANGE ORDER LOG

School	Vendor	Project Number	Original Contract Amount	Number Change Orders	Total Change Orders	Revised Contract Amount	Total Oracle PO Number	Board Rpt Number
Christopher Columbus School								
2015 Columbus ACD	Candor Electric, Inc.	2015-22791-ACD	\$32,600.00	2	\$2,692.31	\$35,292.31	8.26%	Reason Code 2732078
08/19/14	08/21/14	Change Order Descriptions						
08/21/14	08/21/14	Contractor to re-install 13 existing window shades previously removed by others for the installation of new air conditioning units and related metal panels.					\$1,114.98	
07/28/14	08/26/14	Provide material and labor to install 208v service to an existing window A/C location. The base contract did not call for the existing 110v service to be modified.					\$1,577.33	
Rachel Carson Elementary School								
2014 Carson EXT	All-Bry Construction Company	2014-22801-EXT	\$1,194,400.00	20	\$372,079.49	\$5,568,479.49	7.16%	Reason Code 2868945
Change Date	App Date	Change Order Descriptions						
08/05/14	08/17/14	Provide 60" clearance for ADA requirement in unisex toilet room 214.						
08/01/14	08/17/14	Title scope is omitted because it is impossible to remove the tiles specific to the scope without damaging the surrounding ones.						
08/04/14	08/13/14	The elevator installer will not start the installation until the concrete tool's cured which will take a month. This will delay the competitor. Provides material and labor to revise the roof system to provide gypsum sheathing on top of the roof deck, and fire rated gypsum on the underside of the deck, to achieve the 2-hour rating.						
08/15/14	08/19/14	CPS will keep the existing gym/auditorium roof & receive a credit for it.						
08/01/14	08/13/14	Add an additional layer of cement underlayment board to what is already included in the base bid, to make up the required substrate depth.						
08/04/14	08/17/14	Following environmental abatement of the painted walls and ceiling surfaces, additional surface preparation is recommended to achieve acceptable finished wall and ceiling surfaces. Additional damage has also occurred on the third floor from water infiltration since the scoping phase. Additional surface patching and repair in classrooms, lunchrooms and office spaces. In Room 402, additional damage to the wood floor has occurred since the scoping phase. Replacement of 48 square feet of wood flooring and refinishing of the entire floor is recommended.						
08/15/14	08/20/14	Core the existing clay tile roof deck to accommodate the larger 15 inch drain bowls at four locations.						
08/01/14	08/18/14	Add 10 trees on 55th St. parkway & on Rockwell street.						
Ray Graham Training Center								
2014 Graham CAR	Wight & Company	2014-49101-CAR	\$40,000.00	9	\$31,366.41	\$471,366.41	7.13%	Reason Code 2812443
Change Date	App Date	Change Order Descriptions						
08/05/14	08/14/14	It was discovered that the existing storm drain was leaking water. Contractor shall inspect and videotape the existing sewer drain line and root-out and repair any obstructions per owner's approval.						
08/10/14	08/14/14	Issued to include 3 environmental abatement specification sections not included in the OTB package.						
Project Total								
								\$73,628.25

The following change orders have been approved and are being reported to the Board in areas.

Report N_CHANGE_09

CPS

Chicago Public Schools
Capital Improvement Program

October 2014

These change order approval cycles range
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CHANGE ORDER LOG

School	Vendor	Project Number	Original Contract Amount	Number Change Orders	Total Change Orders	Revised Contract Amount	Total Contract Amount	Oracle PO Number	Board Rpt Number
Ray Graham Training Center									
2014 Graham CAR	Wight & Company	2014-49101-CAR	\$440,000.00	9	\$31,366.41	\$471,366.41	7.13%	Reason Code 2812443	
Change Date	App Date	Change Order Descriptions							
08/08/14	08/28/14	Provide material and labor to install one in-sink garbage disposal unit and required electrical connections, power switch and plumbing items.							
John F Kennedy High School									
2013 Kennedy LTG-1	K.R. Miller Contractors, Inc	2013-46201-LTG-1	\$232,598.00	5	\$14,652.06	\$247,190.06	6.30%	Reason Code 2719105	
Change Date	App Date	Change Order Descriptions							
08/10/14	08/11/14	Replace 4 existing light fixtures with Type F12 fixtures in the boiler room.							
08/27/14	08/28/14	Additional scope for rework of the wiring.							
08/12/14	08/13/14	Provide 15 new lenses in the lunch room to replace existing lenses which are discolored.							
08/15/14	08/15/14	In the 12 classrooms in which new light fixtures lenses cannot be installed due to interference with the existing projector arms:							
		1. Remove the row of 4 new light fixtures and unit adjacent to the projector arm.							
		2. Remove existing pendants and provide new pendants which are 2 1/2' shorter.							
		3. Reinstall light fixtures and unit at new height to allow installation of lenses.							
Ames Middle School									
2014 Ames CSP	Reliable & Associates	2014-41111-CSP	\$3,583,488.00	12	\$216,300.88	\$3,799,788.88	6.04%	Reason Code 2700913	
Change Date	App Date	Change Order Descriptions							
09/07/14	08/10/14	Scoping and drawings indicated google cabinets were to be provided by owner and installed by contractor. Owner did not provide google cabinets in furniture equipment order. Contractor to provide (4) lockable steel UV google sterilization cabinet with 30 google capacity.							
08/05/14	08/11/14	The storm drainage system was changed from base scope and the bulletin now includes invert and elevations which were absent from the base scope drawings.							
07/10/14	08/01/14	Replace damaged fan unit with new fan unit.							
07/10/14	08/26/14	Additional work to include alterations to artificial turf field. Soccer field lines have been adjusted to match football field endlines, center circle logo has been added and football yard markers and arrows added to field. Additionally, semi-permanent combined football/soccer goal is to be used with 2 inserts.							
Project Total									
\$13,715.35									

The following change orders have been approved and are being reported to the Board in areas.

Report M_CHANGE_09

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October 2014

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CHANGE ORDER LOG

School	Vendor	Project Number	Original Contract Amount	Number Change Orders	Total Change Orders	Revised Contract Amount	Total Oracle PO Number	Board Rpt Number
Fairfield Academy								
2015 Fairfield ACD	Candor Electric, Inc.	2015-26701-ACD	\$211,797.00	1	\$12,570.46	\$224,367.46	5.94%	
Change Date	App Date	Change Order Descriptions					Reason Code	
07/31/14	08/01/14	Per code change from a three phase panel to a single phase panel because the power coming into the school is single phase.				AOR Error	2733921	
Thomas Kelly High School								
2013 Kelly MEP	Friedler Construction Co.	2013-46181-MEP	\$763,600.00	5	\$42,714.52	\$806,514.52	5.59%	
Change Date	App Date	Change Order Descriptions					Reason Code	
08/04/14	08/06/14	Contractor found the oil pressure switch on the compressors is faulty and needs to be replaced to make the unit function properly.					2539775	
Rutus M. Hitch School								
2015 Hitch TUS	O.C.A. Construction, Inc.	2015-23811-TUS	\$2,617,691.63	1	\$138,065.63	\$2,755,757.26	5.27%	
Change Date	App Date	Change Order Descriptions					Reason Code	
08/04/14	08/21/14	Due to time constraints during the design phase the play lot scope was not included in the base contract. Provide material and labor for new playground added to scope.					2802341	

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CHANGE ORDER LOG

School	Vendor	Project Number	Original Contract Amount	Number Change Orders	Total Change Orders	Revised Contract Amount	Total % of Contract	Oracle PO Number	Board Rpt Number
Southside Occupational Academy									
2014 Southside Occ CAR	All-Bry Construction Company	2014-49031-CAR	\$601,000.00	6	\$30,960.94	\$631,960.94	5.15%	Reason Code 2894807	
Change Date	App Date	Change Order Descriptions							Discovered Conditions
07/22/14 08/11/14 Change for discovered conditions and additional time and labor costs.									
Change 1:Delete direction to demolish the east partition in Carpentry Lab 2 104									
Change 2:Add a 'D' type partition in front of the existing east partition in Carpentry Lab 2 104									
Change 3:Add the extension of partitions into the tool eave									
Change 4:Update Partition Type 'D' to be 4 hours									
Change 5:Carpentry Lab #1-Room #106: Radial Saw /location - Remove duplex receptacle circuit #18.									
Change 6:Carpentry Lab #1-Room #105: Radial Saw location - Install new 3-phase feed with disconnect; switch & starter.									
Utilize existing 30A, 3-pole breaker in panelboard RP-1 for new Radial Saw connection.									
Change 7:Classroom 200: Disconnect and remove all surface mounted duplex/quadruplex receptacles and associated raceways.									
Change 8:Classroom 200: Cap off existing J-doc at northeast corner.									
Change 9:Classroom 200: Convert total of three (3) existing duplex receptacles from surface to recessed mounted, install new devices and finish wall plates.									
Change 10:Classroom 200: Replace existing duplex receptacle next to drinking fountain to GFCI type.									
Change 11:Classroom 200: Install new fire alarm strobe device.									
Provide a concrete sidewalk from the dust collector to the concrete work pad and a 6' wide asphalt path from the existing asphalt drive on the west end of the site to the concrete work pad.									
Discovered Conditions - Add sheet metal enclosure to conceal and protect discovered batt insulation at exterior walls of rooms									
08/05/14 08/05/14 08/07/14 104, 105, and 106. Add gypsum enclosure to conceal vertical hydronic pipe drops and low voltage runs at two locations.									
William Penn School									
2014 Penn SIP	F.H. Paschen, S.N. Nielsen & Assoc	2014-24911-3IP	\$922,000.00	7	\$46,666.00	\$968,666.00	5.06%	Reason Code 2668008	
Change Date	App Date	Change Order Descriptions							Project Total
08/05/14	08/05/14	08/07/14	Change 1: The flow of the storm line from the down-spout to the catch basin was found to be lower than the new installed catch basin. The scope is to excavate the old line & provide a new, higher, line to allow the storm water to discharge to the catch basin to the city line.					\$6,221.00	\$6,221.00
Michael Faraday Elementary School									
2015 Faraday NPL	Wight & Company	2015-24371-NPL	\$106,532.60	1	\$5,130.40	\$111,663.00	4.82%	Reason Code 2733764	
Change Date	App Date	Change Order Descriptions							Discovered Conditions
07/24/14	08/07/14	During construction, the existing stone base under the play area was found to be in poor condition. Replace the existing stone base with a new stone base.							\$5,130.40
08/05/14 08/07/14									
Project Total									
\$3,130.40									
The following change orders have been approved and are being reported to the Board in areas.									
Report M_CHANGE_09									

CPS

Chicago Public Schools Capital Improvement Program

Capital Improvement Program

October 2014

Oct 14 These change order approval cycles range from 08/01/14 to 08/31/14

CHANGE ORDER LOG									
School	Vendor	Project Number	Original Contract Amount	Number Change Orders	Total Change Orders	Revised Contract Amount	Total % of Contract	Gracie PO Number	Board Ref Number
Norwood Park Elementary School									
2015 Norwood Park SEC	2015-24711-SEC		\$39,277.50	2	\$1,798.00	\$41,075.50	4.58%	Reason Code 2740887	
Change Date	App Date	Change Order Descriptions						School Request	\$1,668.00
08/15/14	08/17/14	Installation of an additional Axis P3364VE camera at the Northwest corner of the school that aims at Door 3.						Project Total	\$1,668.00
Elizabeth H Sutherland School									
2015 Sutherland SEC	2015-25561-SEC		\$34,754.50	1	\$1,554.00	\$36,308.50	4.47%	Reason Code 2740733	
Change Date	App Date	Change Order Descriptions						Owner Directed	\$1,554.00
08/13/14	08/14/14	Principal request to add an additional security work station. New security desk is located on the 1st Floor North Corridor.						Project Total	\$1,554.00
Hyde Park Career Academy									
2014 Hyde Park ICR	2014-46171-ICR		\$28,387.00	2	\$8,947.95	\$237,314.95	3.92%	Reason Code 2663403	
Change Date	App Date	Change Order Descriptions						Allowance Credit	(\$13,702.02)
08/07/14	08/11/14	Provide a credit for unused contingency.						Project Total	(\$13,702.02)
Bernhard Moos School									
2015 Moos ICR	2015-24551-ICR		\$1,455,148.16	3	\$43,319.62	\$1,498,467.78	2.98%	Reason Code 2803550	
Change Date	App Date	Change Order Descriptions						School Request	\$1,240.03
08/10/14	08/12/14	Provide for restriping of the entire existing main parking lot on the east side of the school.						School Request	\$28,336.92
08/14/14	08/28/14	Revision is to provide new athletic wall pads on the walls & pillars at the north and south ends of the gym.						Project Total	\$30,576.95
Melville W Fuller									
2015 Fuller ACD	2015-23271-ACD		\$56,955.00	1	\$2,658.79	\$99,613.79	2.74%	Reason Code 2733922	
Change Date	App Date	Change Order Descriptions						Other	\$2,658.79
08/25/14	08/28/14	Removal and reinstallation of window shades.						Project Total	\$2,658.79

The following change orders have been approved and are being reported to the Board in arrears.

CPS
Chicago Public Schools
Capital Improvement Program

October 2014

These change order approval cycles range
from 08/01/14 to 08/31/14

CHANGE ORDER LOG

School	Vendor	Project Number	Original Contract Amount	Number Change Orders	Total Change Orders	Revised Contract Amount	Total % of Contract	Oracle FG Number	Board Rpt Number
Fort Dearborn Elementary School									
2015 Fort Dearborn STK	2015-23241-STK		\$425,000.00	2	\$10,950.87	\$415,950.87	2.71%	Reason Code 202594	Date: 9/15/2014 Page: 10 of 16
Change Date	App. Date	Change Order Descriptions							
08/15/14	08/19/14	At Owner's request, due to power being shut down at the school to accommodate adjacent project 2014-23241-DEM, the existing incinerator removal must be expedited.							
08/08/14	08/21/14	Due to discovered conditions, the existing incinerator must be removed under gross removal/containment.							
Philip Murray Language Academy									
2012 Murray MCR	2012-29221-MCR		\$3,131,200.00	33	\$83,568.00	\$3,214,768.00	2.67%	Reason Code 223657	
Change Date	App. Date	Change Order Descriptions							
08/01/14	08/13/14	Additional painting labor to paint around approximately 990ft of power/data raceway added by CPS via a separate project summer of 2012 throughout the school. New wiremold was not detailed in the OTB documents or viewed during the pre-bid walkthrough.							
08/01/14	08/06/14	A new fiber cable needs to be run from the computer to the N30s in the Annex Mechanical Room to allow for the existing BAS system to properly work.							
07/31/14	08/06/14	Review of existing boiler configuration and chimney conditions led the mechanical engineer and mechanical subcontractor to determine that a stainless steel liner flue is the appropriate material with regards to the draft capacity of the boilers.							
03/03/14	08/06/14	Outlets relocated to the face of the new chase wall.							
Isabell C O'Keefe School									
2014 O'Keefe ICR-1	2014-24751-1CR-1		\$247,785.00	6	\$5612.48	\$254,357.48	2.67%	Reason Code 2663405	
Change Date	App. Date	Change Order Descriptions							
07/26/14	08/07/14	Contractor to provide credit to CPS for unused contingency funds.							
M Jean De Lafayette School									
2014 Lafayette CSP	2014-24121-CSP		\$15,924,000.00	31	\$421,454.00	\$16,345,454.00	2.65%	Reason Code 2689194	
Change Date	App. Date	Change Order Descriptions							
08/02/14	08/06/14	Existing concrete floor slab was discovered to be structurally unsound and required replacement with proper depth slab.							
07/15/14	08/03/14	The City of Chicago Fire Department review indicated that the alarm pull stations were not required in lab classrooms as indicated in the contract documents. Therefore, the items were removed and credit was received.							
The following change orders have been approved and are being reported to the Board in annex.									
Report M_CHANGE_09									

CPS

Chicago Public Schools
Capital Improvement Program

October 2014

These change orders approve cycles range
from 08/01/14 to 08/31/14

CHANGE ORDER LOG

School	Vendor	Project Number	Original Contract Amount	Number Change Orders	Total Change Orders	Revised Contract Amount	Total % of Contract	Oracle PO Number	Board Rpt Number
M. Jean De Lafayette School									
2014 Lafayette CSP	F.H. Paschen, S.N. Nielsen & Assoc	2014-24121-CSP	\$ 15,924,000.00	31	\$421,454.00	\$16,345,454.00	2.65%	Reason Code 26989-94 11-0625-PPB	
Change Date	App Date	Change Order Descriptions							
07/29/14	08/07/14	Contract scope of work modified by removal of out-of-date equipment by CPS Food Service staff.						Discovered Conditions	\$5,795.00
07/28/14	08/01/14	Existing toilet partitions to be salvaged and reinstalled were in poor condition with damaged and graffiti surfaces. Request to install new partitions to match new material being installed under contract.						Owner Directed	\$26,551.00
07/08/14	08/01/14	Discovered condition of conduit and wiring that is supported by old suspended ceiling system is to be removed in first and second floor corridors of the original 1893 building. All items have to be reinstalled at a new ceiling height.						Discovered Conditions	\$22,943.00
08/02/14	08/06/14	Additional paint details highlighted in auditorium historical architectural details.						Owner Directed	\$32,793.00
07/09/14	08/07/14	AOR omitted door detail and information on door schedule for Room 206.						Omission – AOR	\$8,221.00
08/06/14	08/13/14	This was a project architect/ engineer error and omission which required the relocation of required heat detectors in the auditorium.						Error - Architect	\$1,798.00
07/28/14	08/01/14	Parapet masonry required additional replacement due to discovered condition of extreme deterioration and lack of mortar bonding on the top courses of brick.						Discovered Conditions	\$66,042.00
07/07/14	08/01/14	Discovered condition of load bearing wall that was to be removed per the contract documents. Wait to stay and room layout modified.						Discovered Conditions	\$9,218.00
		Project Total							\$180,085.00
Edward H White									
2014 White SIP	Friedler Construction Co.	2014-26431-SIP	\$3,398,800.00	13	\$88,134.11	\$3,486,834.11	2.59%	Reason Code 2640332	
Change Date	App Date	Change Order Descriptions							
08/17/14	08/22/14	GC to relocate the current city tie box from the existing, current location to the new location as directed by the Fire Protection Bureau during their inspection.						Code	\$15,000.00
08/22/14	08/26/14	GC to provide specified door hardware for rooms 119C and 119D in the entry vestibule.						School Request	\$21,254.52
08/23/14	08/23/14	At the mezzanine level there are broken and rusted plumbing lines that were discovered in the chase walls. GC to replace existing broken and rusted plumbing lines to allow proper drainage including the sanitary line.						Discovered Conditions	\$1,200.00
07/24/14	08/01/14	GC to abate ceiling tile to install new electrical conduit. GC also to abate floor tile and install new roof ladder.						Discovered Conditions	\$27,449.64
07/24/14	08/06/14	GC to provide 8 square feet of floor tile at new roof ladder where floor tile was abated.						Discovered Conditions	\$426.00
08/17/14	08/22/14	GC to install power supply for GFI outlet and lights at the service outlet for the RTUs.						Omission – AOR	\$6,500.00
		Project Total							\$71,830.16

The following change orders have been approved and are being reported to the Board in annual.

Report M_CHANGE_08

CPS
Chicago Public Schools
Capital Improvement Program

October 2014

These change order approval cycles range
from 08/01/14 to 08/31/14

Date: 9/15/2014
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CHANGE ORDER LOG

School	Vendor	Project Number	Original Contact Amount	Number Change Orders	Total Charge Orders	Revised Contract Amount	Total Oracle PO Contract Number	Board Rpt Number
James Ward Elementary School								
2015 Ward, J ACD	Candor Electric, Inc.	2015-25751-ACD	\$9,800.00	1	\$2,229.96	\$102,029.96	2.23%	Reason Code
Change Date								
09/22/14	08/29/14	Change Order Descriptions						2732131
		Contractor to re-install 28 existing window shades previously removed by others for the installation of new air conditioning units and related metal panels.						\$2,229.96
							Project Total	\$2,229.96

Urban Prep Academy for Young Men - South Shore

Change Date	App. Date	Change Order Descriptions	Total Charge Orders	Revised Contract Amount	Total Oracle PO Contract Number	Board Rpt Number
07/30/14	08/06/14	CPS preferred a more durable material for the countertops for the office counters. Provide 1/2" thick solid surface material for the countertops in Main office, 123 and Office 10.	4	\$29,008.00	\$1,336,008.00	2.22%
08/04/14	08/06/14	Scope of project did not include whiteboards and chalkboards in classrooms that were originally dance studios.				
		1. Reinstall salvaged whiteboards from Classroom 202 in classroom 223.				
		2. Provide 2 white boards with marker holder for classroom 222 and 221 on the instructors side.				
		3. Provide 6 vinyl covered tack boards for classrooms 223, 222, and 221.				
07/30/14	08/01/14	It was discovered in the field that (5) classrooms, 113, 219B, 204, 211, 103, and 102 have a/c window units that do not function. Per CPS direction provide for replacement of units.				
08/04/14	08/06/14	Remove the raceways with power along the wall between rooms 219A and 219B. Pull power back to electrical panel.				
					Discoverd Conditions	
					Project Total	\$29,008.00

Kelvin Park High School

Change Date	App. Date	Change Order Descriptions	Total Charge Orders	Revised Contract Amount	Total Oracle PO Contract Number	Board Rpt Number
2015 Kelvin Park CR	2015-46191-ICR	K-H. Miller Contractors, Inc	\$5,399,210.07	7	\$119,155.40	\$5,518,365.47
						2.21%
						Reason Code
08/12/14	08/28/14	Required additional plaster patching and painting.				2801842
08/26/14	08/28/14	Survey adjustment and expanded concrete sidewalk at west ADA ramp.				Discoverd Conditions
08/26/14	08/28/14	GC to provide 3 new ramps at the north, south, and west sides of the building.				Discoverd Conditions
						Discoverd Conditions
						Project Total
						\$69,881.50

The following change orders have been approved and are being reported to the Board in areas.

Report N_CHANGE_16

CPS
Chicago Public Schools
Capital Improvement Program

October 2014

These change order approval cycles range
from 08/01/14 to 08/31/14

CHANGE ORDER LOG

Date: 9/15/2014
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School	Vendor	Project Number	Original Contract Amount	Number Change Orders	Total Change Orders	Revised Contract Amount	Total Contract % of Contract	Oracle PO Number	Board Rpt Number
John Hay Community Academy School									
2015 Hay ACD	Candor Electric, Inc.	2015-31111-ACD	\$127,200.00	1	\$2,658.79	\$129,858.79	2.09%		
Change Date	App Date	Change Order Descriptions						Reason Code	
08/23/14	08/26/14	Contractor to reinstall 31 existing window shades previously removed by others for the installation of new air conditioning units and related metal panels.						2732118	
Hebron A Hugan									
2015 Hugan ACD	Murphy & Jones Co., Inc.	2015-23591-ACD	\$163,152.00	1	\$3,231.25	\$166,383.25	1.98%		
Change Date	App Date	Change Order Descriptions						Reason Code	
08/02/14	08/07/14	Provide additional capacity for the second floor panel. It was discovered that the existing window AC units from the first floor, that were believed to be connected to an existing non-dedicated panel, were connected to the second floor panel.						27321140	
Louis J Agassiz School									
2015 Agassiz ICR	All-Bry Construction Company	2015-22031-ICR	\$335,284.72	1	\$6,517.14	\$341,801.86	1.94%		
Change Date	App Date	Change Order Descriptions						Reason Code	
08/26/14	08/28/14	Provide added reinforcement, demolition, and roof patching at the exhaust fan at the roof opening.						2801840	
Arthur A Libby School									
2015 Libby ACD	Candor Electric, Inc.	2015-24171-ACD	\$82,662.00	1	\$1,597.00	\$84,259.00	1.93%		
Change Date	App Date	Change Order Descriptions						Reason Code	
08/19/14	08/26/14	Window opening in classroom 205 was not big enough to receive a 2-ton A/C unit. Two 1-ton A/C units were used in lieu of one 2-ton A/C unit.						2733932	

CPS
Chicago Public Schools
Capital Improvement Program

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These change order approval cycles range
from 08/01/14 to 08/31/14

Date: 9/15/2014
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CHANGE ORDER LOG

School	Vendor	Project Number	Original Contract Amount	Number Change Orders	Total Change Orders	Revised Contract Amount	Total % of Contract	Oracle PO Number	Board Ref Number
Richard T Crane Tech Prep Comm On School									
2013 Crane HS UAF	Wight & Company	2013-46061-UAF	\$1,875,000.00	5	\$33,924.00	\$1,908,924.00	1.81%	Reason Code 263946	
Change Date	App Date	Change Order Descriptions							
08/11/14	08/17/14	Provide for tree pruning at Crane track/field. Dead branches continue to fall on the track and in some areas the overhang will not permit use of the outside lane.						Discovered Conditions	\$4,748.80
								Project Total	\$4,748.80
Herbert Spencer Math & Science Academy									
2013 Spencer NPL	Wight & Company	2013-25341-NPL	\$443,500.00	1	\$7,286.22	\$450,786.22	1.64%	Reason Code 267896	
Change Date	App Date	Change Order Descriptions							
07/24/14	08/07/14	Remove and trim tree over the proposed tennis court. Trunk is currently pushing on the fence causing damage and branches are low and in the way of the tennis court. Replace damaged fence panels.						Omission-AOR	\$7,266.22
								Project Total	\$7,266.22
Al Raby High School									
2014 Al Raby SIP	Wight & Company	2014-46471-SIP	\$13,304,000.00	15	\$212,617.27	\$13,516,617.27	1.60%	Reason Code 2692010	
Change Date	App Date	Change Order Descriptions							
08/05/14	08/11/14	Contractor to provide for material and labor to install an ADA, low energy, door operator and push paddles at new door opening. Discovered Conditions						Discovered Conditions	\$2,442.30
								Project Total	\$2,442.30
John H Hamline Elementary School									
2014 Hamline MCR	F.H. Paschen, S.N. Nielsen & Associates	2014-23511-4-MCR	\$1,066,000.00	4	\$1,812.00	\$1,077,812.00	1.11%	Reason Code 2690582	
Change Date	App Date	Change Order Descriptions							
08/13/14	08/17/14	Commission an elevator service provider to lower, lock, and shutdown the elevator for the duration of project to allow work at elevator overrun to be performed.						Owner Directed	\$687.00
07/26/14	08/01/14	Credit to eliminate all flush mount security latch door clubs from the project as requested by CPS.						Discovered Conditions	(\$220.00)
08/26/14	08/28/14	Provide new drywall, return and plywood sill at door 314 located in the storage room.						Discovered Conditions	\$3,445.00
08/13/14	08/28/14	Provide for revised roof edge detail at the intermediate roof.						Discovered Conditions	\$7,900.00
								Project Total	\$11,812.00

The following change orders have been approved and are being reported to the Board in areas.

Report_N_CHANGE_08

CPS
Chicago Public Schools
Capital Improvement Program

October 2014

These change order approval cycles range
from 08/01/14 to 08/31/14

CHANGE ORDER LOG

School	Vendor	Project Number	Original Contract Amount	Number Change Orders	Total Change Orders	Revised Contract Amount	Total % of Oracle PO Contract Number	Board Rpt Number
Marvin Camras Elementary School								
2015 Camras ACD	Murphy & Jones Co., Inc.	2015-22691-ACD	\$231,812.00	2	\$234,184.19	\$234,184.19	1.01%	Reason Code 272139
Change Date	App Date	Change Order Descriptions						
08/04/14	08/07/14	It was discovered that some of the existing windows would either not support the weight of the A/C units or the A/C units would not fit the windows. A/C units were moved from their original locations to more suitable window locations.						\$1,843.39
08/02/14	08/10/14	Provide overnight security for Camras Elementary for the ComEd outage scheduled for July 29 & 30.						\$508.80
Ariel Community Academy								
2014 Ariel SIT	All-Bry Construction Company	2014-23421-SIT	\$256,000.00	1	\$2,589.60	\$258,589.60	1.01%	Reason Code 2719097
Change Date	App Date	Change Order Descriptions						
08/05/14	08/07/14	Contractor to provide pricing to paint the exterior wall behind the mechanical room. Paint to also be included around the door.						\$2,589.60
Beulah Shoesmith School								
2014 Shoesmith BLR	Wight & Company	2014-25371-BLR	\$1,196,000.00	3	\$27,128.26	\$1,223,128.26	0.85%	Reason Code 2811966
Change Date	App Date	Change Order Descriptions						
07/30/14	08/01/14	Provide material and labor to abate asbestos elbow pipe insulation at 1st floor room 109.						\$2,470.18
07/30/14	08/01/14	Asbestos abatement for the locker room and the locker room areas.						\$20,562.30
07/30/14	08/01/14	Provide additional abatement as required to tie in plumbing piping and fixtures in the first floor bathrooms.						\$4,085.78
Theodore Herzl School								
2015 Herzl CSP	Friedler Construction Co.	2015-23771-CSP	\$4,752,800.00	2	\$36,121.50	\$4,788,921.50	0.76%	Reason Code 270851
Change Date	App Date	Change Order Descriptions						
08/05/14	08/06/14	General Contractor to skincoat and prepare all existing gym wall surfaces to receive new paint.						\$16,112.00
08/05/14	08/07/14	GC to provide fence enclosure for the 3 existing mechanical fans. Each enclosure to include a gate for maintenance.						\$20,009.50
Project Total								
\$56,121.50								

October 22, 2014

Report M_CHANGE_39

The following change orders have been approved and are being reported to the Board of trustees.

CPS**Chicago Public Schools
Capital Improvement Program****October 2014**These change order approval cycles
from 08/17/14 to 08/31/14Date: 9/1/2014
Page: 16 of 16**CHANGE ORDER LOG**

School	Vendor	Project Number	Original Contract Amount	Number Change Orders	Total Change Orders	Revised Contract Amount	Total Oracle PO Number	Board Rpt Number
Frazier International Magnet Elementary School								
2014 Frazier SIT	F.H. Paschen, S.N. Nielsen & Assoc	2014-23411-SIT	\$78,000.00	1	\$1,770.00	\$580,770.00	0.31%	
Change Date	App Date	Change Order Descriptions					Reason Code	
08/15/14	08/19/14	Provide a 25' tall number 2 pole near the east property line. The pole shall have a weatherhead. The pole is owner owned and maintained.					2740380	
William H Prescott School								
2015 Prescott UAF	F.H. Paschen, S.N. Nielsen & Assoc	2014-25021-UAF	\$195,000.00	1	(\$4,201.94)	\$190,799.06	-2.15%	
Change Date	App Date	Change Order Descriptions					Reason Code	
08/19/14	08/21/14	Provide credit for unused contingency					2804608	
Castellanos								
2014 Castellanos NPL	F.H. Paschen, S.N. Nielsen & Assoc	2014-22461-NPL	\$440,000.00	1	(\$13,905.00)	\$426,095.00	-3.16%	
Change Date	App Date	Change Order Descriptions					Reason Code	
08/24/14	08/26/14	Add privacy slats to existing chain link fence to west and south of playlot area.					2801630	
Isabel C O'Keeffe School								
2014 O'Keeffe ICR	K.R. Miller Contractors, Inc	2014-24751-ICR	\$75,000.00	2	(\$45,987.91)	\$329,012.09	-12.26%	
Change Date	App Date	Change Order Descriptions					Reason Code	
07/26/14	08/07/14	Contractor to provide credit to CPS for unused contingency funds.					2607728	-12-1024-PRB
Total Change Orders for this Period								
\$1,279,823.58								

The following change orders have been approved and are being reported to the Board in areas.

Report_M_CHANGE_09

14-1022-PR12

AUTHORIZE THE SECOND AND THIRD RENEWAL AGREEMENTS WITH REVENEW INTERNATIONAL, LLC AND PROFESSIONAL AUDITING SERVICES OF AMERICA FOR COMPLIANCE REVIEW AND ACCOUNTS PAYABLE RECOVERY AUDITING SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the second and third renewal agreements with Revenew International, LLC ("Revenew") and Professional Auditing Services of America ("PAS"; and together with Revenew, each a "Vendor" and collectively, the "Vendors") to provide compliance review and auditing services to Procurement for a two (2) year term. Written documents exercising this option are currently being negotiated. No payment shall be made to any Vendor during the option period prior to execution of their written document. The authority granted herein shall automatically rescind as to each Vendor in the event their written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Specification Number : 12-250034

Contract Administrator : Wilkerson, Ms. Iman / 773-553-2280

VENDOR:

- 1) Vendor # 44490
ROY D JACKSON ETAL PTR DBA
PROFESSIONAL AUDITING SERVICES OF
AMERICA
29193 NORTHWESTERN HWY, STE 643
SOUTHFIELD, MI 48034
Roy Jackson
800 353-3050
- 2) Vendor # 64946
REVENEW INTERNATIONAL, LLC
9 GREENWAY PLAZA., STE 1950
HOUSTON, TX 77046
Dan Schaefer
281 201-4389

USER INFORMATION :

Contact:
12210 - Procurement and Contracts Office
125 South Clark Street 10th Floor
Chicago, IL 60603
De Longeaux, Mr. Sebastien
773-553-2280

ORIGINAL AGREEMENT:

The original Agreements (authorized by Board Report #12-1024-PR11) in the aggregate amount of \$1,000,000 were for a term commencing November 8, 2012 and ending October 31, 2013, with the Board having three (3) options to renew for 1 (one) year terms. The agreements were renewed (authorized by Board Report #13-0925-PR12) for a term commencing November 1, 2013 and ending October 31, 2014. The original agreements were awarded on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD:

The term of each agreement is being renewed for 2 years commencing November 1, 2014 and ending October 31, 2016.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

Vendors will continue to provide professional supplier contract compliance reviews and Accounts Payable recovery audit services in addition to recommendations and improvements to processes and procedures.

DELIVERABLES:

Vendors will continue to provide the following deliverables: 1) Review and analyze Accounts Payable and Procurement information from the Board's internal and external sources to discover overpayments, 2) Track overpayments and request suppliers to remit the funds to the Board; including funds from vendors and contractors who are no longer conducting business with the Board, 3) Provide the Board with copies

of all invoices from vendors and contractors for overpayments made by the Board, 4) Provide bi-weekly reports of recoveries and confirmed credits, and 5) Provide detailed summary reports at the conclusion of the overall audit activity including, but not limited to, cost saving opportunities, best practice recommendations and training to the Board for improvements based upon observations and discoveries made during and throughout the recovery audit period.

OUTCOMES:

Vendors' services will result in identification of overpayments and recovery of such identified credits and owed to the Board.

COMPENSATION:

Vendors shall be paid during this option period as follows: As a percentage of the total recoveries received as indicated in the payment terms of the contract. Payment shall only be made to Vendors after recoveries are received by CPS. Estimated annual costs for this option period are set forth below and are inclusive of reimbursable expenses.

\$1,000,000.00, FY 2015

\$1,000,000.00, FY 2016

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written option documents. Authorize the President and Secretary to execute the option documents. Authorize the Chief Procurement Officer to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts, contracts for subsequent vendors from the pool created by this agreement will be subjected to aggregated compliance reviews and monitored on a monthly basis.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115

Department of Procurement, Unit 12210

\$1,000,000.00 FY 2015

\$1,000,000.00 FY 2016

Not to exceed \$2,000,000.00 for the two (2) year term. Future year funding is contingent upon budget appropriation and approval.

CFDA#:

Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

14-1022-PR13

AUTHORIZE A NEW AGREEMENT WITH HEIFERMAN, INC. DBA AAA RENTAL SYSTEM FOR RENTAL SUPPORT OF EQUIPMENT AND SUPPLIES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize a new agreement with Heiferman, Inc. d/b/a AAA Rental System to provide Rental Support of Equipment and Supplies to all schools and departments for a two (2) year term. Vendor was selected on a competitive basis pursuant to an RFQ issued by the City of Chicago and the parties subsequently entered into a Master Contract (City's Master Contract Number 24845). The Board desires to obtain Rental Support of Equipment and Supplies based upon the City's Master Contract under Board Rule 7-2.4, which authorizes the Board to purchase biddable items from vendors who have contracted with

other governmental entities. A written agreement for Vendor's services is currently being negotiated. No services shall be provided by Vendor and no payment shall be made to Vendor prior to the execution of their written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

City of Chicago: Specification No. 84395

Contract Administrator : Wilkerson, Ms. Iman / 773-553-2280

VENDOR:

- 1) Vendor # 48036
Heiferman, Inc. DBA AAA Rental System
3020 W. 167TH STREET
MARKHAM, IL 60426
Jay Heiferman
708 210-1200

USER INFORMATION :

Contact:
12210 - Procurement and Contracts Office
125 South Clark Street 10th Floor
Chicago, IL 60603
De Longeaux, Mr. Sebastien
773-553-2280

TERM:

The term of this agreement shall commence on the date the agreement is signed and shall end twenty-four (24) months thereafter. This agreement shall have no options to renew.

EARLY TERMINATION RIGHT:

The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES:

The vendor will furnish and deliver tents, chairs, linens, and other items that are used for both large and small parties, events, and festivals throughout the Chicago area on a rental basis.

DELIVERABLES:

The Vendor will: (1) furnish and deliver various rental equipment and supplies, (2) set-up and removal of delivered rental equipment and supplies.

OUTCOMES:

This will result in the availability of various rental equipment and supplies for meeting/events hosted by schools or departments.

COMPENSATION:

Vendor shall be paid during the term of this agreement upon invoicing, as specified in the contract; total compensation for the term of this agreement not-to-exceed the sum of \$300,000.

REIMBURSABLE EXPENSES:

None.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize Chief Procurement Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

Vendor shall be bound by the MBE/WBE requirements set forth by the City of Chicago in the Master Contract; which were set at 16.9% for MBE and 4.5% for WBE participation. Vendor shall be allowed to utilize the same MBE/WBE participants for its CPS agreement as those proposed for its City of Chicago agreement.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115
Department of Procurement, Unit 12210

\$150,000 FY 2015

\$150,000 FY 2016

Not to exceed \$300,000.00 for the two (2) year term. Future year funding is contingent upon budget appropriation and approval.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

President Vitale indicated that if there were no objections, Board Reports 14-1022-EX1 through 14-1022-EX4, 14-1022-OP1, and 14-1022-PR1 through 14-1022-PR13, with the noted abstentions, would be adopted by the last favorable roll call vote, all members present voting therefore.

President Vitale thereupon declared Board Reports 14-1022-EX1 through 14-1022-EX4, 14-1022-OP1, and 14-1022-PR1 through 14-1022-PR13 adopted.

14-1022-RS3

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY BY THE BOARD OF
AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF CHICAGO TO
SUPPORT THE EXPANSION OF THE CPS PRE-KINDERGARTEN CHILD PARENT
CENTER PROGRAM**

WHEREAS, pursuant to the provisions of Article 34 of the School Code of the State of Illinois, as amended, (the "School Code") the City of Chicago, Illinois, constitutes one school district (the "School District"), which is a body politic and corporate by the name of Board of Education of the City of Chicago, which School District is governed by the Chicago Board of Education (the "Board"); and

WHEREAS, the City of Chicago (the "City") desires to provide support to the Board to expand its Child Parent Center Program and other quality pre-kindergarten programs (collectively, the "CPS CPC Program") in certain schools serving students at-risk of struggling academically, in order to increase school readiness and reduce later public school spending on special education services, student retention, individual intervention and English language learning; and

WHEREAS, the City will transfer to, or cause to be deposited with, the Board funds to support operational costs for the CPS CPC Program pursuant to the terms of an Intergovernmental Agreement between the City, acting through its Department of Family and Support Services ("DFFS"), and the Board in substantially the form attached hereto as Exhibit A (the "Intergovernmental Agreement"); and

WHEREAS, the Board has determined that it is necessary, desirable, advantageous, and in the public interest to accept the City's support for the CPS CPC Program and enter into the Intergovernmental Agreement.

NOW, THEREFORE, Be It and It is Herby Resolved by the Chicago Board of Education of the City of Chicago as follows:

1. *Incorporation of Preambles.* The Board hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct and does incorporate them into this Resolution by this reference.

2. *Definitions.* For all purposes of this Resolution and in addition to the defined terms in the preambles to this Resolution, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in this Section shall have the meanings set forth below, and shall include the plural as well as the singular.

"Designated Officials" shall mean the President and the Chief Financial Officer of the Board.

3. *Approval of Documents.* The form of Intergovernmental Agreement attached to this Resolution as *Exhibit A* is approved, but with such revisions in text as the Designated Officials shall determine are necessary or desirable, the execution thereof by the Designated Officials to evidence the Board's approval of all such revisions.

4. *Further Acts.* Each of the Designated Officials, officials or officers of the Board are hereby authorized to execute and deliver the Intergovernmental Agreement approved by **Section 3** of this Resolution, and such other documents and agreements and perform such other acts as may be necessary or desirable in connection with the CPS CPC Program and the exercise following the delivery date of the Intergovernmental Agreement of any power or authority delegated to such official under this Resolution, but subject to any limitations on or restrictions of such power or authority as herein set forth.

All actions of the Designated Officials, officials or officers of the Board that are in conformity with the purposes and intent of this Resolution are hereby in all respects ratified, approved, and confirmed.

5. *Severability.* The provisions of this Resolution are hereby declared to be severable; and if any section, phrase, or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, or provisions.

6. *Repealer and Effective Date.* All Resolutions or parts of resolution in conflict herewith are, to the extent of such conflict, hereby repealed. This Resolution is effective immediately upon its adoption.

October 22, 2014

EXHIBIT A
Form of Intergovernmental Agreement

A-1

FORM OF INTERGOVERNMENTAL AGREEMENT
BETWEEN THE CITY OF CHICAGO,
BY AND THROUGH ITS DEPARTMENT OF FAMILY AND SUPPORT SERVICES,
AND THE BOARD OF EDUCATION OF THE CITY OF CHICAGO
REGARDING THE CPS CPC PROGRAM

This Intergovernmental Agreement (this "Agreement") is made and entered into as of the _____ day of _____, 2014 (the "Agreement Date") by and between the City of Chicago (the "City"), a municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois, by and through its Department of Family and Support Services (the "Department"), and the Board of Education of the City of Chicago (the "Board" or "CPS"), a body corporate and politic, organized under and existing pursuant to Article 34 of the School Code of the State of Illinois.

RECITALS

WHEREAS, the Board desires to implement high quality pre-kindergarten programs (collectively, the "CPS CPC Program") in certain schools identified by the Board as serving at-risk children in order to increase school readiness and reduce later public school spending on special education ("SPED"), student retention, individual intervention and English language training; and

WHEREAS, initial support for operational costs for the CPS CPC Program will come from funds provided by certain lenders (the "Lenders") in the form of loans (the "Loans") made to IFF Pay for Success I, LLC, an Illinois limited liability company (the "Project Coordinator"); and

WHEREAS, the Project Coordinator will loan the proceeds of the Loans (the "IFF Program Transfer Amounts") to the City pursuant to the provisions of a Loan Agreement and Pay For Success Contract (the "Pay For Success Agreement") between the City and the Project Coordinator; and

WHEREAS, the Board agrees, pursuant to this Agreement, to utilize the IFF Program Transfer Amounts transferred to it by the Project Coordinator, on behalf of the City, to pay costs associated with implementing the CPS CPC Program; and

WHEREAS, to the extent the Board, through the CPS CPC Program, is successful in reducing expenditures for special education services as set forth in the Evaluation Plan, the Board agrees to pay the Board Pay-For-Success Payments for application pursuant to the Pay For Success Agreement; and

WHEREAS, the City and the Board now desire to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE ONE: INCORPORATION OF RECITALS AND DEFINITIONS

The recitals set forth above are incorporated herein by reference and made a part hereof. Capitalized terms used herein without definition shall have the meanings assigned to such terms in Exhibit A hereto or in the GSSIF Senior Loan Agreement.

ARTICLE TWO: CPS CPC PROGRAM

1. Description of CPS CPC Program. The five major goals of the CPS CPC Program are to (1) promote readiness for kindergarten in language and literacy, math, science, and socio-emotional learning; (2) increase proficiency and excellence in early school achievement, including reading, math, and science; (3) enhance social adjustment and psychological development in the early grades, including socio-emotional learning, school commitment, and self-control; (4) increase parent involvement and engagement in children's education throughout early childhood; and (5) enhance educational attainment, career opportunities, and personal development for parents and family members.

2. Description of Services.

The Board shall use the IFF Program Transfer Amounts received by the City for application hereunder to pay the project-related fees and expenses set forth in Exhibit C under the heading "Project Fees" to provide the services needed to implement the CPS CPC Program funded by the IFF Program Transfer Amounts in the school facilities identified in the Evaluation Plan attached hereto as Exhibit D, as amended from time to time in accordance with this Agreement. The services provided by the Board under the CPS CPC Program and related, supportive services to be provided by the Technical Services Provider pursuant to the Technical Services Agreement with the Project Coordinator are referred to herein as the "CPS CPC Program Services."

The CPS CPC Program Services will be provided in accordance with the core program principles (the "Core Program Principles") attached as Exhibit E hereto. The Board shall not amend the Core Program Principles in any material respect without the prior written approval of the City and the Approval of the Lender Committee. In the event any such amendment (including any aspect of implementation of the CPS CPC Program Services) is not so approved by the City and/or the Lender Committee and the Board determines that such amendment is necessary for the effective implementation of the CPS CPC Program, the Board may, by notice to the City, the Project Coordinator and the Lenders, terminate this Agreement with respect to Project Year Cohorts commencing preschool in a Subsequent Project Year following the Project Year in which the Board determines that such amendment is necessary (provided that such termination shall not affect the obligations of the City and the Board pursuant to this Agreement with respect to Board Pay-For-Success Payments in the Initial Project Year and any Subsequent Project Years prior to the Subsequent Project Year with respect to which such notice of termination is given).

The CPS CPC Program Services will be provided in the school facilities described in the Evaluation Plan. Any additional school facilities at which CPS CPC Program Funded Services will be provided shall require the prior written approval of the City, which approval shall not be unreasonably withheld. The Board reserves the right to lease additional space and/or purchase equipment as needed to provide the CPS CPC Program Services, provided that the cost of any such additional space and/or equipment is paid for by the Board other than from the IFF Program Transfer Amounts.

The Board will ensure appropriate levels of staffing to perform the CPS CPC Program Services and in accordance with the Core Program Principles.

As set forth under the heading "Study Population" in the Evaluation Plan, the target population for the CPS CPC Program is preschool children residing primarily in low-income neighborhoods and who meet study eligibility criteria, as further described in the Evaluation Plan (the "CPS CPC Program Population").

As required by the Evaluation Plan and pursuant to Article Four hereof, for each Project Year commencing with the Project Year ending June 30, 2016 and ending with the Project Year that ends on June 30 of the last Project Year in which the last Subsequent Project Year Cohort completes twelfth (12th) grade, the Board will make Board Pay-For-Success Payments to the City in the amounts and at the times specified by notice to the Board from the Evaluator based on the Evaluator's evaluation of the Total Number of Special Education Slots Avoided (as such term is used and described in the Evaluation Plan) (each hereinafter referred to as "Success"). Reference is made to the Evaluation Plan for a detailed description of the evaluation criteria and performance measurement criteria. The Board and the City shall not, and shall not permit the Project Coordinator to, amend or modify the Evaluation Plan or the Evaluation Agreement or grant any waiver or consent under the Evaluation Agreement without the prior written approval of the other party hereto and the Approval of the Lender Committee.

3. Project Year Supplements.

(a) The Board and the City acknowledge and agree that Exhibit C sets forth only the project-related fees and expenses for the Initial Project Year. The Board shall prepare (in consultation with the Technical Services Provider) not later than June 1 of each Project Year, commencing with the Initial Project Year, a Project Year Supplement for the Subsequent Project Year. If necessary, the deadline for the Board to prepare the Project Year Supplement can be extended twice, each extension for a period of up to one month and each extension with the Approval of the Lender Committee; provided, however, the deadline for preparation of such Project Year Supplement for the Subsequent Project Year shall not extend beyond July 31. In

order for a Project Year Supplement to be adopted, it will be necessary for the Board, the City and the Project Coordinator, with the Approval of the Lender Committee, to agree upon the Project Year Supplement for the Subsequent Project Year by August 15. As part of each Project Year Supplement that is agreed to by the Board, the City and the Project Coordinator and Approved by the Lender Committee, Exhibit C will be revised and updated to reflect the project-related fees and expenses for such applicable Project Year. Each Project Year Supplement will set forth for the applicable Subsequent Project Year: (i) the Board Project Year Budgeted Amount, (ii) the City Project Year Appropriated Amount, (iii) the size of the Subsequent Project Year Cohort, (iv) the Project Year Budget including the IFF Program Transfer Amounts, (v) the “base case” level of Pay-For-Success Payments resulting from a change in the size of the Subsequent Project Year Cohort and (vi) any revisions to the Core Program Principles for the Subsequent Project Year.

4. Evaluator and Technical Services Provider.

(a) Simultaneously with the execution and delivery of this Agreement, the Project Coordinator shall enter into the Evaluation Agreement with the Evaluator (together with its successors duly appointed in accordance with the Pay For Success Agreement) to carry out the functions described in the Evaluation Agreement. The parties hereto anticipate that the Evaluator will deliver a final Evaluation Plan within ninety (90) days of the funding of the initial Loan Advance. The Evaluator will be responsible for, in accordance with the Evaluation Plan and the Evaluation Agreement, making the calculations described in Article Four hereof, applying the evaluation criteria, performance measurement criteria and evaluation methodology set forth in the Evaluation Plan, giving notice to the Board of the amounts and due dates of Board Pay-For-Success Payments hereunder and performing such other functions as are set forth in the Evaluation Plan. Pursuant to the Pay For Success Agreement, the Project Coordinator shall not replace the Evaluator or any successor thereto or amend, modify or terminate or waive or consent to any deviation from any material term or condition of the Evaluation Agreement without the prior written approval of the Board and the City and the Approval of the Lender Committee. The parties hereto agree that the Evaluator will be compensated, for all services provided pursuant to the Evaluation Agreement, by the Project Coordinator (i) for the Project Years ending June 30, 2015 and 2016, from proceeds of a grant provided by the Finnegan Family Foundation and (ii) for the Project Years commencing with the Project Year ending June 30, 2017, from Other Funding Sources to the extent Other Funding Sources are available for such purpose. To the extent that Other Funding Sources are not available to compensate the Evaluator for the Project Years commencing with the Project Year ending June 30, 2017, the Evaluator will be compensated by the Project Coordinator from proceeds of Loans, in the maximum aggregate principal amount of \$319,000, made to the Project Coordinator by the Lenders and in turn loaned to the City as Loan Advances pursuant to the Pay For Success Agreement. No such use of Loan Advances to pay the Evaluator shall increase the City’s maximum obligations to make City Pay-For-Success Payments under the Pay For Success Agreement or the Board’s maximum obligations to made Board Pay-For-Success Payments hereunder.

(b) Simultaneously with the execution and delivery of this Agreement, the Project Coordinator shall enter into a contract with the Technical Services Provider (together with its successors duly appointed in accordance with the Pay For Success Agreement) to provide the services as set forth in the Technical Services Agreement. Pursuant to the Pay For Success Agreement, the Project Coordinator shall not replace the Technical Services Provider or amend, modify or terminate or waive or consent to any deviation from any material term or condition of the Technical Services Agreement without the prior written approval of the Board and the City and the Approval of the Lender Committee. The parties hereto agree that the Technical Services Provider will be compensated by the Project Coordinator for all services provided pursuant to the Technical Services Agreement during the Initial Project Year from proceeds of the Loans made to the Project Coordinator by the Lenders and in turn loaned to the City as Loan Advances on or about the date hereof and, for Project Years subsequent to the Initial Project Year, from Other Funding Sources to the extent Other Funding Sources are available. In the event that Other Funding Sources are not available, the Technical Service Provider’s role with respect to the CPS CPC Program will terminate. The Board hereby agrees to cooperate with the Technical Service Provider.

5. Provision of Information.

(a) The Board hereby agrees to provide such information as is required pursuant to this Agreement, the Evaluation Plan, the Evaluation Agreement and the Pay For Success Agreement to the Evaluator as is necessary for the Evaluator to carry out its respective evaluation and other responsibilities in accordance with this Agreement, the Evaluation Plan, the Evaluation Agreement and the Pay For Success Agreement. The Board acknowledges that, subject to applicable federal, State and local privacy laws, collective bargaining agreements, Freedom of Information Act requirements and Board policies, it will be bound by publicity provisions included as Appendix D to the Pay For Success Agreement, which provisions are deemed to be incorporated by reference into this Agreement.

(b) For so long as the Evaluator (or any successor thereto) is engaged and performing the duties set forth in Section 4(a) hereof, within 90 days after the end of each Semi-Annual Period, commencing with the Semi-Annual Period ending June 30, 2015, the CPS CPC Program Services Report shall be provided by the Board to the Evaluator for such Semi-Annual Period.

(c) The Board shall, and shall cause its officers, employees, auditors and agents to: (i) afford the officers, employees and authorized agents and representatives of the Project Coordinator, the Evaluator and the Technical Services Provider reasonable access, during normal business hours and upon a minimum of ten Business Days' notice, to its books and records directly related to this Agreement; and (ii) make available to such persons, the management, employees, officers, directors, accountants and auditors of the Board as the Project Coordinator may from time to time reasonably request, with a minimum of ten Business Days' notice.

(d) The Board hereby agrees to the provisions set forth in Article IV of the Pay For Success Agreement, and such provisions are deemed to be incorporated herein.

(e) The Board agrees that if, after receipt of notice (provided in accordance with the Evaluation Agreement) from the Evaluator that specified information that the Board is responsible for providing to the Evaluator and that is required to calculate Pay-For-Success Payments with respect to a particular Project Year Cohort in accordance with the Evaluation Agreement, the Board fails to provide such information required by the Evaluator with respect to such Project Year Cohort within 14 Business Days, the Evaluator shall assume that a "base case" level of Pay-For-Success Payments for the Project Year Cohort for which such required information was not provided has been achieved as specified in Exhibit C hereto for purposes of the Initial Project Year Cohort and as specified in the related Project Year Supplement for each Subsequent Project Year Cohort; provided, however, that if the Evaluator determines that the Board has demonstrated that its failure to deliver such information is due to an extraordinary event beyond the control of the Board, the Board shall have seven Business Days after the extraordinary event has been remedied to provide such information to the Evaluator.

(f) The Board agrees to provide additional information to the Project Coordinator to the extent required for the Project Coordinator to provide the information required by the Social Impact Reporting Requirements attached hereto as Exhibit B, provided that such information is available to the Board without unreasonable effort or expense and provided further that the Evaluator has provided the Board any information the Board needs to provide such additional information.

(g) In the event that the Evaluator or the Project Coordinator shall resign or be replaced, the City shall direct the Project Coordinator to, and the Project Coordinator shall direct the Evaluator to, return all documents, analyses and other data prepared by or received from the Evaluator under the Evaluation Agreement (the "Work Products") to the Board. The Project Coordinator may furnish Work Products and copies thereof to the Lenders, its legal advisors and accountants, or, with the consent of the City and the Board, to other parties.

ARTICLE THREE: FUNDING OF CPS CPC PROGRAM

1. Funding Schedules and Project Year Budgets. The Initial Project Year Funding Schedule is set forth in the Funding Plan attached as Exhibit C to this Agreement under the heading "Funding Schedule." The Subsequent Project Year Funding Schedule for each Subsequent Project Year shall be set forth in the Project Year Supplement for such Project Year. A Funding Schedule may be amended or modified from time to time by replacement of the Funding Schedule by the Project Coordinator only with the prior written approval of the Board and the

City and the Approval of the Lender Committee. The Project Year Budget for the Initial Project Year is attached as part of Exhibit C to this Agreement under the heading "Initial Project Year Budget." The Project Year Budget for each Subsequent Project Year shall be set forth in the applicable Project Year Supplement for such Project Year. A Project Year Budget may be amended from time to time as agreed to in writing by the Board, the City and the Project Coordinator, with the Approval of the Lender Committee. The Board and the City agree that the Funding Schedule and the Project Year Budget are based on a "base case" level of Pay-For-Success Payments and that actual Pay-For-Success Payments may be greater or lesser than the "base case" and the CPS CPC Program costs may be less than the "base case" as required by the terms of this Agreement depending on the operational savings realized by a reduction in the number of CPS CPC Funded Program Enrollees (provided that in no event will any reduction in any Project Year Cohort be made without the approval of the City and the Board and the Approval of the Lender Committee).

2. IFF Program Transfer Amounts. On each September 1 and January 1 (or if any such day is not a Business Day, on the immediately succeeding Business Day), the Board will submit a draw request ("Project Draw Request"), signed by the Board's Chief Financial Officer and the CPS Early Childhood Chief Officer, to the City's Commissioner of the Department of Family and Support Services with a copy to the Lenders and the Project Coordinator. Upon receipt of the signed Project Draw Request, the City agrees to request the Project Coordinator to transfer IFF Program Transfer Amounts pursuant to the Pay For Success Agreement to the account identified by the Board in the Project Draw Request for application in accordance with this Agreement. The Board covenants to cause all IFF Program Transfer Amounts received from the Project Coordinator for a Project Year to be applied exclusively to the costs of the provision of the CPS CPC Program for the CPS CPC Funded Program Slots for such Project Year. The Board covenants to cause the CPS CPC Program that is provided each Project Year pursuant to this Agreement to adhere to the Core Program Principles.

3. Board Budget. For each Project Year, with the exception of the Initial Project Year for which funds have already been budgeted, the Board covenants to cause the CPS Chief Financial Officer (in conjunction with the CPS Early Childhood Chief Officer) to request as part of the Board's proposed budget an inclusion in the budget for the Board for the then-applicable budget and fiscal period (the "Board Budget") of funds (the "Board Budgeted Program Funds") in an amount equal to the amount set forth in the Project Year Supplement under the heading "Projected Board Project Year Budgeted Amount". Upon the appropriation of any Board Budgeted Program Funds for any Project Year, the Board covenants to cause all Board Budgeted Program Funds for a Project Year to be applied exclusively to the costs of the provision of the CPS CPC Program for the CPS CPC Funded Program Slots for such Project Year. Nothing contained herein shall permit the City or the Project Coordinator to compel the Board to include Board Budgeted Program Funds in any final budget approved by the Board for any year; provided, however the Board recognizes that no Loans will be provided by the Lenders to the Project Coordinator and no Loan Advances will be provided by the Project Coordinator to the City and hence no Project Draw Requests will be able to be made by the Board for any budget and fiscal period for which Board Budgeted Program Funds are not included in the final budget approved by the Board for such fiscal and budget period. If any final budget of the Board for any Project Year does not include the full amount of the Board Budgeted Program Funds as contemplated by this Article Three, Section 3, then promptly upon the adoption of such final Budget, the Board shall give notice to the City and to the Lenders to such effect.

4. Project Coordinator Fees and Expenses. The parties hereto agree that the Project Coordinator will be compensated in the amounts and at the times set forth in Exhibit C hereto, for all services provided pursuant to the Pay For Success Agreement and the Loan Agreements, and all audit and tax expenses of the Project Coordinator (which expenses are capped at \$10,000 annually) will be reimbursed, from proceeds of the initial advance of the Loan for each Project Year made by the Lenders to the Project Coordinator and in turn loaned to the City as a Loan Advance on or about the date hereof. The fee of the Project Coordinator shall be deemed to be earned in accordance with Exhibit C hereto. If at any time the Project Coordinator resigns or is replaced and is required, pursuant to the terms of the Loan Agreements, to repay any unearned portion of its compensation to the Lenders, the return of such unearned portion shall be deemed a repayment of the corresponding amount of a Loan Advance.

5. Third Party Fees. The Project Coordinator shall be solely responsible to pay any and all third party vendors', advisors', legal counsel's and other professional service providers' costs, fees and expenses incurred in management of the Pay For Success Agreement and any related agreements (other than the costs, fees and expenses of the Evaluator, the Technical Services Provider and the Attorneys (as defined in the Pay For Success Agreement), which are being paid as provided in the Pay For Success Agreement) and performing its obligations hereunder and thereunder, and the Board shall have no liability for any of the foregoing costs, fees and expenses, including, but not limited to, fees paid to any financial advisor for assisting with the Pay For Success Agreement and identifying and enlisting the Lenders for services provided under this Agreement; provided, however, that the fees of the Evaluator, the Technical Services Provider and the Attorneys shall be paid from the sources of funds identified in Section 2.03(a), (b) and (d) of the Pay For Success Agreement.

ARTICLE FOUR: PAY FOR SUCCESS PAYMENTS

1. Board Budget. Subject to the provisions set forth in the third paragraph of this Section 1, for each Project Year, commencing with the Project Year ending June 30, 2017 and ending on June 30 of the Project Year after the last Project Year in which a Project Year Cohort completes twelfth (12th) grade, the Board covenants to cause the CPS Chief Financial Officer to request an inclusion in the Board Budget for the then-applicable fiscal period of funds necessary to pay either (i) the Board Pay-For-Success Payments for the prior Project Year based on a "base case" of Board Pay-For-Success Payments as specified in Exhibit C hereto for purposes of the Initial Project Year Cohort and as specified in the related Project Year Supplement for each Subsequent Project Year Cohort or (ii) if lesser and then known, the actual Board Pay-For-Success Payments determined to be due for the prior Project Year. If the Board shall determine that the "base case" of Board Pay-For-Success Payments is not the appropriate basis for a Board Budget request for any Project Year, the Board may propose an alternate basis to the Evaluator. If the Evaluator approves such alternate basis, the Board's request for inclusion in the Board Budget for the then-applicable fiscal period may be based on such alternate basis.

Further, the Board covenants that, to the extent it requests an inclusion in the Board Budget for the then applicable fiscal period funds for any early childhood program (defined for purposes hereof to mean any program for children prior to entering kindergarten), the Board will seek a request for Board Pay-For-Success Payments, determined in accordance with the preceding paragraph, due with respect to the preceding Project Year or due and unpaid for prior Project Years in accordance with the provisions of Article Two, this Article Four and the Pay For Success Agreement.

If the actual Board Pay-For-Success Payments owed by the Board for a particular Project Year are more than the amount included in the Board Budget for that Project Year, the Board shall request an amount equal to the deficiency in the Board Budget for the subsequent Project Year.

Unless the Board has received notice from the Project Coordinator that no further amounts are due and payable under the Loan Agreements and no further Board Pay-For-Success Payments are due from the Board hereunder as a result, the Board covenants to continue to make such budget requests until the later of (i) the Project Year after the Project Year in which the last Project Year Cohort completes twelfth (12th) grade or (ii) all Board Pay-for-Success Payments required hereby have been paid in full.

Upon the approval by the Board of any funds requested by the Board to pay Board Pay-For-Success Payments for any Project Year (the "Board Budgeted Pay-for-Success Funds"), the Board covenants to cause such Board Budgeted Pay-For-Success Funds to be deposited in the Board Designated Account in accordance with the provisions of this Article Four and the Pay For Success Agreement. If any final budget of the Board for any Project Year does not include the full amount of the Board Pay-For-Success Payments requested by the CPS Chief Financial Officer for such year, then promptly upon the adoption of such final budget, the Board shall give notice to the City and the Lenders to such effect.

2. Board Pay-For-Success Payments. Commencing with the Project Year ending on June 30, 2016 and ending with the last Project Year in which a Project Year Cohort completes sixth (6th) grade, the Evaluator shall calculate, pursuant to the Evaluation Plan, the amount, if any, of Board Pay-For-Success Payments due from the Board for such Project Year in accordance with the Evaluation Plan. By the October 1 following the completion of each Project Year under evaluation, the Evaluator shall deliver written notice of such amount (including the calculations supporting such amount) to the City, the Board, the Project Coordinator and the Lenders. The Evaluator's calculations delivered for each Project Year Cohort completing sixth (6th) grade will also include the amounts of Board Pay-For-Success Payments due for each of the following six Subsequent Project Years for such Project Year Cohort.

If for any Project Year no such notice is received by the Board from the Evaluator by October 15 of the following Project Year, then the Board shall notify the City, the Project Coordinator and the Lender Committee of such failure, and the Project Coordinator shall replace the Evaluator as promptly as practicable, subject to the approval of the City and the Board and the Approval of the Lender Committee.

The Board Pay-For-Success Payments will be due 30 Business Days after receipt of the Evaluator's notice of any Board Pay-For-Success Payments (other than Board Pay-For-Success Payments due for Project Year Cohorts in grades beyond sixth (6th) grade, which are due by the September 1 following each Project Year for which payment is due), and the Board shall, on behalf of the City, deposit such Board Pay-For-Success Payments in the Board Designated Account; *provided, however*, that if the Board shall determine, within ten (10) Business Days of receipt of notice from the Evaluator, that the calculation of the amounts set forth by the Evaluator contains any manifest mathematical error, the Board shall give notice describing such error to the Evaluator, the City, the Project Coordinator and the Lenders, and each of such parties will work in good faith to resolve the error (and upon such resolution the Board shall promptly pay the required amount as so resolved).

Unless the Board has received notice from the Project Coordinator that no further amounts are due and payable under the Loan Agreements and no further Board Pay-For-Success Payments are due from the Board hereunder as a result, the Board covenants to make such required Board Pay-For-Success Payments until the later of (i) the Project Year after the sixth anniversary of the Project Year the last Project Year Cohort completes sixth (6th) grade or (ii) the Board Pay-For-Success Payments required hereby have been paid in full.

3. Limit on Board Pay-For-Success Payments. Notwithstanding any provision of this Agreement or any other Core Document, (i) the maximum aggregate amount of Board Pay-For-Success Payments that are required to be made pursuant to and during the term of this Agreement is \$30,000,000, and the City shall cause all Board Pay-For-Success Payments to be paid to the Project Coordinator solely and only from (i) funds paid to it by the Board hereunder or (ii) other amounts legally available to be applied to such payments as expressly provided herein.

4. Prepayment. The Board shall have the right, but not the obligation, to prepay any portion or all of the Board Pay-For-Success Payments at any time. If the Board wishes to prepay any portion or all of the Board Pay-For-Success Payments, the Board shall, by notice to the Evaluator with copies to the City, the Project Coordinator and the Lenders, request the Evaluator to calculate the amount of Board Pay-For-Success Payments to be prepaid. With respect to Board Pay-For Success Payments deposited in the Board Designated Account to pay the GSSIF Senior Lender or the NT Senior Lender, the prepayment amount will be an amount equal to the outstanding principal amount of the Loans due to the respective Lender under the respective Loan Agreement on the date of prepayment, plus accrued and unpaid interest thereon. With respect to Board Pay-For-Success Payments deposited in the Board Designated Account to pay the Subordinate Lender, the prepayment amount will be an amount equal to the present value of the outstanding and unpaid Board Pay-For-Success Payments assuming a "base case" level of Board Pay-For-Success Payments discounted to present value as of the date of notice of prepayment (the "Calculation Date") using a discount rate equal to the Treasury Rate (as defined below) plus 200 basis points. For purposes of this calculation described in the preceding sentence, "Treasury Rate" means, as of any Calculation date, the yield to maturity as of such prepayment date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two

Business Days prior to the Calculation Date (excluding inflation indexed securities (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the Calculation Date to the payment dates of the Board Pay-For-Success Payments to be prepaid; provided, however, that if the period from the Calculation Date to such prepayment date is less than one year, the weekly average yield on actual traded United States Treasury securities adjusted to a constant maturity of one year will be used. Upon the giving by the Evaluator of notice to the Board, the City, the Project Coordinator and the Lenders of the amount to be prepaid by the Board as so calculated, the Board shall deposit the amount of the prepayment as so calculated by the Evaluator to the Board Designed Account.

5. Acceleration. The Board covenants to pay any Board Pay-For-Success Payments resulting from the acceleration on September 1, 2028 (the "*Acceleration Date*") by any Lender of the outstanding amount of its respective Loan pursuant to Section 2.6.7 of the applicable Loan Agreement following receipt of notice from such Lender of such acceleration, which notice from such Lender must be sent 90 days prior to the Acceleration Date. The discount rate to be used in calculating the present value of the Board Pay-For-Success Payments as of the Acceleration Date shall be the discount rate set forth in Article 4, Section 4 hereof for voluntary prepayments of Board Pay-For-Success Payments. The Board's obligation to pay any accelerated Board Pay-For-Success Payments is subject to budgeted amounts being legally available to make such Board Pay-For-Success Payments. In the event that such amounts are not legally available, the provisions of Article 7, Section 2 hereof shall apply.

6. Limitations. The obligation of the Board to fund Board Pay-For-Success Payments or to make any other payments required by this Agreement shall not constitute an indebtedness or general obligation of the Board or a loan of its credit within the meaning of any statutory or Constitutional provision of the State.

ARTICLE FIVE: REPRESENTATIONS AND WARRANTIES OF THE BOARD

1. Organization. The Board represents and warrants that it is a (i) a body politic and corporate of the State of Illinois and governs the School District having boundaries coterminous with the boundaries of the City, (ii) established under and governed by Article 34 of the School Code and (iii) not a home rule unit of government.

2. Authorization; Enforceability. The Board has all requisite power and authority to enter into, execute and to deliver this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement, the performance of the obligations hereunder, and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the Board and no other proceedings or actions on the part of the Board are necessary to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Board and constitutes a valid and binding obligation of the Board, enforceable in accordance with its terms, except as enforcement may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights generally, or (ii) laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

3. Non-Contravention; No Violation. The execution and delivery of and performance by the Board of its obligations under this Agreement do not violate any applicable law or administrative regulation of the State of Illinois or the United States of America or any department, division, agency or instrumentality of either, or any applicable judgment or decree to which the Board is subject, or conflict, in a material manner with, or constitute a material breach of or a material default under any loan agreement, bond, note, resolution, ordinance, indenture, agreement or other instrument to which the Board is a party or is otherwise subject.

4. Governmental Consents. No consent, approval, authorization, license, governmental order or permit of, or declaration, filing or registration with, or notification to, any governmental authority is required to be made or obtained, and no consent or approval of any other person is required by the Board in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

5. Compliance with Laws; Litigation.

(a) To the knowledge of the Board, the Board is in material compliance with all applicable laws, including, without limitation, laws that are applicable to its properties and assets, the conduct of its operations.

(b) There is no action of any nature pending or, to the knowledge of the Board, threatened against, relating to or affecting the Board or any of its properties or assets, or that challenges or seeks to prevent, enjoin or delay the transactions contemplated in this Agreement, nor, to the knowledge of the Board, is there any reasonable basis therefor or any facts, threats, claims or allegations that would reasonably be expected to result in any such action.

6. Initial Project Year Board Budgeted Program Funds. For the Initial Project Year, Board Budgeted Program Funds have been budgeted for the provision of the CPS CPC Program to the Initial Project Year Cohort in the aggregate amount of \$2,104,498, which funds shall be advanced to the Board in accordance with Exhibit C hereto.

ARTICLE SIX: TERM AND TERMINATION

1. Term. The Term of the Agreement shall be deemed to have commenced as of the Agreement Date set forth above and shall remain in effect until the last Board Pay-For-Success Payments due from the Board are paid in accordance with this Agreement and the City, or the Board on its behalf, deposits the Board Pay-For-Success Payments in the Board Designated Account as detailed herein and in the Pay For Success Agreement.

2. Termination With Respect to Subsequent Project Year. If for any Subsequent Project Year the Board Project Year Budgeted Amount or the City Project Year Appropriated Amount is less than the amount reflected for such Subsequent Project Year in Exhibit C under the heading "Projected Board Project Year Budgeted Amount" or "Projected City Project Year Appropriated Amount" respectively and/or a Project Year Supplement is not mutually agreed to by the Board, the City and the Project Coordinator with the Approval of the Lender Committee, then each of the Board and the City shall have the right by notice to the other and to the Project Coordinator and the Lenders to terminate this Agreement with respect to such and all future Subsequent Project Years, and such termination shall be effective on the date such notice is received, provided that no such termination shall affect the obligations of the City and the Board pursuant to this Agreement with respect to Board Pay-For-Success Payments for the Initial Project Year and any Subsequent Project Years prior to the Subsequent Project Year with respect to which such notice of termination is given.

ARTICLE SEVEN: INDEMNITY; DEFAULT

1. Indemnification. The Board agrees to indemnify, defend and hold the City, its officers, officials, members, employees and agents harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with the Board's failure to comply with any of the terms, covenants and conditions contained within this Agreement. The City agrees to indemnify, defend and hold the Board, its officers, officials, members, employees and agents harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the Board arising from or in connection with the City's failure to comply with any of the terms, covenants and conditions contained within this Agreement.

2. Events of Default - Board. The failure of the Board to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Board under this Agreement shall constitute an "Event of Default" by the Board hereunder. Upon the occurrence of an Event of Default, the City may, by notice to the Board, the Project Coordinator and the Lenders, terminate this Agreement in accordance with Article Six hereof and terminate transfers of IFF Program Transfer Amounts to the Board (provided that no such termination shall affect the obligations of the City and the Board pursuant to this Agreement with respect to Board Pay-For-Success Payments due for the Initial Project Year and any Subsequent Project Years prior to such termination). The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, proceed to protect its rights hereunder and may seek to compel

compliance by the Board with the terms and provisions hereof by suit or suits in equity or at law, for the specific performance of any covenant, term or condition hereof, or in aid of the execution of any power herein granted, and may exercise any other right or remedy upon such breach as may be granted under any other applicable provisions of law; provided, however, that the sole and absolute remedy for any breach of the Board's covenant, promise and agreement to make Board Pay-For-Success Payments shall be specific performance, and there shall be no right to declare an acceleration or accelerate the unpaid balance of Board Pay-For-Success Payments.

If the Board fails to make any Board Pay-For-Success Payment required by this Agreement within 30 Business Days after the due date of such payment, the City will (and any Lender may) provide notice to the Board of such failure, and the Board will have an additional 10 days after the giving of such notice to make such payment. If the Board's failure to make any Board Pay-For-Success Payments persists after such date, then the following provisions shall apply:

(i) The Board shall seek an appropriation of any due and unpaid Board Pay-For Success Payments for payment pursuant to this Agreement. To the extent that any funds are appropriated by the Board for early childhood education programs, the Board covenants to seek an appropriation for payment of any due and unpaid Board Pay-For-Success Payments;

(ii) The Board shall disclose any failure to pay the Board's Pay-For-Success Payments in the Board's comprehensive annual financial report ("CAFR") prepared by the certified public accounting firm engaged by the Board; and

(iii) The Board shall notify the Rating Services of any failure by the Board to pay the Board's Pay-For-Success Payments.

With respect to the covenants set forth in clauses (ii) and (iii) above, the Board may seek a waiver of such covenants with the Approval of the Lender Committee in the event that any non-payment of Board Pay-For-Success Payments is deemed immaterial in the opinion of the Board. The Approval of the Lender Committee of any such request shall not be unreasonably withheld.

Notwithstanding the foregoing, if the Board has included in the Board Budget for the then-applicable fiscal period the funds necessary to pay the Board Pay-For-Success Payments for the Prior Project Year based on a "base case" of Board Pay-For-Success Payments (or based on some alternate basis agreed to by the Evaluator pursuant to Article Four, Section 1 hereof) and such budgeted amount is less than the actual Board Pay-For-Success Payments due for such Project Year, the Board's failure to pay Board Pay-For-Success Payments due hereunder shall not constitute an Event of Default hereunder and the covenants set forth in clauses (ii) and (iii) above shall not apply. However, in such event, the Board shall request in the Board Budget for the subsequent Project Year an amount equal to satisfy such deficiency as required by Article Four, Section 1 hereof.

Anything herein to the contrary notwithstanding, nothing contained herein shall permit the City or the Project Coordinator to compel the Board to include Board Budgeted Pay-For-Success Funds in any final budget approved by the Board for any year.

If the Board has failed to make any Board Pay-For-Success Payment required by this Agreement as provided above or is in breach prior to the time that such payment is due, the City shall have no further obligations to transfer IFF Program Transfer Amounts to the Board pursuant to Article Three, Section 2 of this Agreement.

In the event the Board shall fail to perform a covenant other than its covenant to make Board Pay-For-Success Payments which the Board is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Board has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those defaults, other than a default in the payment of a Board Pay-For-Success Payment and other than a failure to provide required information to the Evaluator, which are not capable of being cured within such thirty (30) day period, the Board shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

3. **Events of Default - City.** The failure of the City to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the City under this Agreement shall constitute an "Event of Default" by the City hereunder after notice and the opportunity to cure as set forth in the following paragraph. Upon the occurrence of an Event of Default, the Board may, by notice to the City, the Project Coordinator and the Lenders, terminate this Agreement in accordance with Article Six hereof (provided that no such termination shall affect the obligations of the City and the Board pursuant to this Agreement with respect to Board Pay-For-Success Payments due for the Initial Project Year and any Subsequent Project Years prior to such termination). The Board may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

In the event the City shall fail to perform a covenant which the City is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the City has failed to cure such default within thirty (30) days of its receipt of a written notice from the Board specifying the nature of the default; provided, however, with respect to those defaults which are not capable of being cured within such thirty (30) day period, the City shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

ARTICLE EIGHT: CONSENT

Whenever the consent or approval of one or both parties to this Agreement is required hereunder, such consent or approval shall not be unreasonably withheld.

ARTICLE NINE: NOTICE

Notice to Board shall be addressed to:

Chief Financial Officer
Board of Education of the City of Chicago
42 West Madison Street, 2nd Floor
Chicago, Illinois 60602
[FAX: (773) 553-2701]

and

General Counsel
Board of Education of the City of Chicago
1 North Dearborn Street, 9th Floor
Chicago, Illinois 60602
[FAX: (773) 553-1702]

Notice to the City shall be addressed to:

Commissioner
Department of Family and Support Services
1615 West Chicago Avenue, 5th Floor
Chicago, Illinois 60622
FAX: (312) 744-2271

and

Corporation Counsel
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic Development Division
FAX: (312) 742-0277

And

Office of Chief Financial Officer
121 North LaSalle Street, Room 700
Chicago, Illinois 60602
[FAX: (312) 742-0277]

A copy of each notice hereunder shall be simultaneously provided to the Lenders in accordance with the notice provisions of each applicable Loan Agreement. Any notice required hereby to be provided to the Lenders shall be provided to the Lenders in accordance with the notice provisions of each applicable Loan Agreement.

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth above, by any of the following means: (a) personal service; (b) electric communications, whether by telex, telegram, telecopy or facsimile (FAX) machine; (c) overnight courier; or (d) registered or certified mail, return receipt requested.

Such addresses may be changed when notice is given to the other party in the same manner as provided above. Any notice, demand or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by electronic means. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and, if sent pursuant to subsection (d) shall be deemed received two (2) days following deposit in the mail.

ARTICLE TEN: COLLATERAL ASSIGNMENT; ASSIGNMENT; BINDING EFFECT

The Board acknowledges that the City has collaterally assigned its rights set forth in this Agreement to the Project Coordinator (together with its successors and assigns, the "Assignee") as collateral for the obligations of the City to the Assignee, and that the Assignee has collaterally assigned such rights to the Lenders as collateral for the obligations of the Project Coordinator to the Lenders, and the Board hereby consents to such collateral assignments. The Board agrees that no amendment to the provisions of this Agreement and no consent or waiver to the provisions by the City hereunder shall be valid without the prior written consent of the Assignee and the Approval of the Lender Committee. The Assignee and the Lenders shall each be a third party beneficiary of the provisions of this Agreement that require the Approval of the Lender Committee and shall be entitled to enforce such provisions hereof. The Board acknowledges that the Lenders have relied on the existence of this Agreement in entering into the Loan Agreements.

This Agreement, or any portion thereof, shall not be further assigned by either party without the prior written consent of the other.

This Agreement shall inure to the benefit of and shall be binding upon the City, the Board and their respective successors and permitted assigns. This Agreement is intended to be and is for the sole and exclusive benefit of the parties hereto and such successors and permitted assigns; provided that after the occurrence of an Event of Default, the City shall have the right (but not the obligation) to appoint Assignee (including its assigns duly appointed in accordance with the Pay For Success Agreement) as the City's agent to enforce the provisions of Article Seven, Section 2 hereof.

ARTICLE ELEVEN: MODIFICATION

This Agreement may not be altered, modified or amended except by written instrument signed by all of the parties hereto provided that no alteration, modification or amendment of this Agreement shall be effective without the Approval of the Lender Committee. The Pay For Success Agreement shall not be altered, modified or amended, without the prior written approval of the Board, which approval shall not be unreasonably withheld.

ARTICLE TWELVE: COMPLIANCE WITH LAWS

The parties hereto shall comply with all federal, state and municipal laws, ordinances, rules and regulations relating to this Agreement.

ARTICLE THIRTEEN: GOVERNING LAW AND SEVERABILITY

All issues concerning this Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Illinois or any other jurisdiction) that would cause the application of the law of any jurisdiction other than the State of Illinois. If any provision of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, ordinance, rule of law or public policy, or for any reason, such circumstance shall not have the effect of rendering any other provision or provisions contained herein invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part hereof.

ARTICLE FOURTEEN: COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an original.

ARTICLE FIFTEEN: ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties.

ARTICLE SIXTEEN: AUTHORITY

Execution of this Agreement by the City is authorized by an ordinance passed by the City Council of the City on _____, 2014. Execution of this Agreement by the Board is authorized by a resolution adopted by the Board on _____, 2014. The parties represent and warrant to each other that they have the authority to enter into this Agreement and perform their obligations hereunder.

ARTICLE SEVENTEEN: HEADINGS

The headings and titles of this Agreement are for convenience only and shall not influence the construction or interpretation of this Agreement.

ARTICLE EIGHTEEN: DISCLAIMER OF RELATIONSHIP

Except as otherwise set forth herein, nothing contained in this Agreement, nor any act of the City or the Board shall be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City and the Board.

ARTICLE NINETEEN: CONSTRUCTION OF WORDS

The use of the singular form of any word herein shall also include the plural, and vice versa. The use of the neuter form of any word herein shall also include the masculine and feminine forms, the masculine form shall include feminine and neuter, and the feminine form shall include masculine and neuter. To the extent that any payment, notice or report due hereunder is due on a day that is not a Business Day, such payment, notice or report shall be deemed to be due on the next succeeding Business Day.

ARTICLE TWENTY: NO PERSONAL LIABILITY

No officer, member, official, employee or agent of the City or the Board shall be individually or personally liable in connection with this Agreement.

ARTICLE TWENTY ONE: REPRESENTATIVES

Immediately upon execution of this Agreement, the following individuals will represent the parties as a primary contact in all matters under this Agreement.

October 22, 2014

For the Board: Jennie Huang Bennett
Treasurer, Chicago Public Schools
42 West Madison Street, 2nd Floor
Chicago, Illinois 60602
Phone: _____
Fax: _____

Elizabeth Mascitti-Miller
Chief Officer, Office of Early Childhood Education
42 West Madison Street, 2nd Floor
Chicago, Illinois 60602
Phone: _____
Fax: _____

For the City: David L. Wells
Managing Deputy Commissioner
City of Chicago
Department of Family and Support Services
1615 West Chicago Avenue, 5th Floor
Chicago, Illinois 60622
Phone: 312-743-1658
Fax: _____

Each party agrees to promptly notify the other party of any change in its designated representative, which notice shall include the name, address, telephone number and fax number of the representative for such party for the purpose hereof.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed and delivered as of the date first above written.

CITY OF CHICAGO, ILLINOIS

By _____
Commissioner,
Department of Family and Support Services

BOARD OF EDUCATION OF THE CITY OF
CHICAGO

By: _____
President

Attest: By: _____
Secretary

Board Report No.: _____

Approved as to legal form:

General Counsel

FORM OF EXHIBIT A

DEFINITIONS

In addition to the terms defined herein, each the following terms has the following meaning herein:

“Advance” shall mean a Project Year Initial Advance or a Project Year Subsequent Advance, as the context shall require.

“Approved by the Lender Committee” or “Approval of the Lender Committee” means that a proposed action or decision has been unanimously approved in advance by the members of the Lender Committee.

“At Grade Level” means reading at or above the 25th percentile of the PARCC test or, if another Third Grade Literacy Test is used, such other level as is determined by the City, the Board and the Evaluator with the Approval of the Lender Committee.

“Board” has the meaning set forth in the Recitals to the Pay For Success Agreement.

“Board Budgeted Pay-For-Success Funds” shall have the meaning ascribed thereto in the Intergovernmental Agreement.

“Board Budgeted Program Funds” shall have the meaning ascribed thereto in the Intergovernmental Agreement.

“Board Designated Account” means the account of the Project Coordinator with the Depository Bank to which the Board’s Pay-For-Success Payments due under the Intergovernmental Agreement are deposited that is subject to the control of the Lenders pursuant to the DACA.

“Board Pay-For-Success Payments” means the payments that the Board is required to make to the City pursuant to the Intergovernmental Agreement and that the City is required to deposit, or to direct the Board to deposit, in the Board Designated Account pursuant to the Pay For Success Agreement to repay a portion of the Loan Advances.

“Board Project Year Budgeted Amount” means the amount budgeted by the Board to fund the Project Year Program for the applicable Project Year.

“Business Day” shall mean any day other than a Saturday, Sunday, or a public holiday, or the equivalent for banks generally under the laws of the State of New York or the State of Illinois.

“City” has the meaning set forth in the Preamble to the Pay For Success Agreement.

“City Designated Account” means the account of the Project Coordinator with the Depository Bank to which the City’s Pay-For-Success Payments are deposited that is subject to the control of the Lenders pursuant to the DACA.

“City Pay-For-Success Payments” means the payments that the City is required to deposit in the City Designated Account pursuant to the Pay For Success Agreement to repay a portion of the Loan Advances.

“City PFS Escrow Account” means the escrow account established by the City pursuant to the Pay-For-Success Escrow Agreement into which the City Project Year Appropriated Amount for each Project Year is deposited.

“City Project Year Appropriated Amount” means the amount appropriated by the City to make Kindergarten Readiness Payments and Third Grade Literacy Payments under the Pay For Success Contract for a Project Year Cohort.

“Contract” has the meaning set forth in the Recitals to the Pay For Success Agreement.

“Core Documents” means the Pay For Success Agreement, the Intergovernmental Agreement, the Loan Documents, the Evaluation Agreement and the Technical Services Agreement.

“Core Program Principles” means the principles of the CPS CPC Program attached hereto as Exhibit E.

“CPC” means the Child Parent Centers operated by the Board.

“CPS CPC Funded Program Enrollee” means a child who has received instruction pursuant to the CPS CPC Program that has been funded by the Project Coordinator using proceeds of funding provided by the Lenders.

“CPS CPC Funded Program Slot” means a slot or seat for a child or children to receive instruction pursuant to the CPS CPC Program that has been funded using the IFF Program Transfer Amounts.

“CPS CPC Program” means a program of preschool education provided by the Board in certain schools identified by the Board as serving at-risk children to increase school readiness and reduce later public school spending on special education, student retention, individual intervention and English language training.

“CPS CPC Program Population” has the meaning set forth in the Intergovernmental Agreement.

“CPS CPC Program Services” has the meaning set forth in the Intergovernmental Agreement.

“CPS CPC Program Services Report” means the report prepared by the Board and delivered to the Evaluator in the form agreed to by the Board and the Evaluator as set forth in the Evaluation Plan.

“Deposit Account Control Agreement(s)” or “DACA(s)” means the deposit account control agreement(s), dated as of the date hereof, by and among the Project Coordinator, the Depository Bank, the Senior Lenders and the Subordinate Lender.

“Depository Bank” means BMO Harris Bank, N.A., a national association, and the depository bank for the Designated Accounts.

“Designated Accounts” means the accounts of the Project Coordinator with the Depository Bank that are subject to the control of the Lenders pursuant to the DACA.

“Evaluation Agreement” means, for the Initial Project Year, the independent evaluator agreement, dated as of the date hereof, by and between the Evaluator and the Project Coordinator and, for any Subsequent Project Year (or for any period after the Evaluation Agreement for the Initial Project Year is terminated), the evaluation agreement entered into in accordance with Section 2.03 of the Pay For Success Agreement.

“Evaluation Plan” means the evaluation plan implemented by the Evaluator to validate the success of the CPS CPC Program and attached to the Pay For Success Agreement as *Appendix B* (as such evaluation plan may be amended from time to time with the approval of the City and the Board and the Approval of the Lender Committee).

“Evaluator” means, as of the date of any reference thereto, the party to the Evaluation Agreement providing evaluation services as contemplated by the Core Documents.

“Final Termination Date” has the meaning set forth in Section 1.01 of the Pay For Success Agreement.

“Funding Agreement(s)” means the Senior Loan Documents and the Subordinate Loan Documents, individually or collectively, as the context shall require.

“Funding Schedule” means the Initial Project Year Funding Schedule or a Subsequent Project Year Funding Schedule as the context shall require.

“GSSIF Senior Lender” means the Goldman Sachs Social Investment Fund, L.P., a Delaware limited partnership, and its successor and assigns.

“GSSIF Senior Loan” means the senior loan in the original principal amount of up to \$7.5 million provided by the GSSIF Senior Lender to the Project Coordinator pursuant to the GSSIF Senior Loan Agreement to finance the CPS CPC Program.

“GSSIF Senior Loan Agreement” means the senior loan agreement by and between the GSSIF Senior Lender and the Project Coordinator.

“GSSIF Senior Obligations” means all obligations and liabilities of the Project Coordinator to the GSSIF Senior Lender under the Senior Loan Documents.

“Head Teacher or Director” means an employee of the CPS who provides day to day support in the functioning of the CPS CPC Program.

“Historic Results” means CPS students’ results on the Third Grade Literacy Test over the past ten years from the date of the applicable Third Grade Literacy Test.

“IFF” means IFF, an Illinois not-for-profit corporation.

“IFF Program Transfer Amounts” means the amounts that the Project Coordinator is required to transfer to the City for distribution to the Board pursuant to the Intergovernmental Agreement for each applicable Project Year to fund the provision of the CPS CPC Program to the Initial Project Year Cohort or the applicable Subsequent Project Year Cohort (but not in excess of the corresponding Project Draw Request submitted by the Board pursuant to the Intergovernmental Agreement).

“Initial Project Year” means the period from the date of execution and delivery of the Pay For Success Agreement through June 30, 2015.

“Initial Project Year Cohort” means 374 children.

“Initial Project Year Funding Schedule” means the schedule on which (subject to the applicable terms and conditions of the respective Loan Documents) each Lender will fund its Loan to the Project Coordinator during the Initial Project Year.

“Intercreditor and Subordination Agreement” means the intercreditor and subordination agreement, dated as of the date hereof, by and among the Lenders and the Project Coordinator.

“Intergovernmental Agreement” means the intergovernmental agreement, dated as of the date hereof, between the City and the Board.

“Kindergarten Readiness” has the meaning set forth in the Evaluation Plan.

“Kindergarten Readiness Payments” has the meaning set forth in Section 3.01 of the Pay For Success Agreement.

“Lender Committee” means a committee comprised of designees appointed by the Senior Lenders and the Subordinate Lender; *provided* that (i) from and after the date on which all obligations owed by the Project Coordinator to the GSSIF Senior Lender have been paid in full, the GSSIF Senior Lender shall no longer be entitled to appoint a designee to the Lender Committee, and (ii) from and after the date on which all obligations owed by the Project Coordinator to the NT Senior Lender have been paid in full, the NT Senior Lender shall no longer be entitled to appoint a designee to the Lender Committee.

“Lender Representative” means (i) so long as all obligations owed by the Project Coordinator to the GSSIF Senior Lender have not been paid in full, GSSIF, and (ii) after all obligations owed by the Project Coordinator to the GSSIF Senior Lender have been paid in full and so long as all obligations owed by the Project Coordinator to the NT Senior Lender have not been paid in full, the NT Senior Lender, and (iii) after all obligations owed by the Project Coordinator to the GSSIF Senior Lender and the NT Senior Lender have been paid in full and so long as all obligations owed by the Project Coordinator to the Subordinate Lender have not been paid in full, the Subordinate Lender.

“Lenders” means Senior Lenders and Subordinate Lender, individually or collectively, as the context shall require.

“Loan Advance” means each loan of funds, consisting of IFF Program Transfer Amounts, to the City by the Project Coordinator pursuant to the Pay For Success Agreement.

“Loan Agreements” means the GSSIF Senior Loan Agreement, the NT Senior Loan Agreement and/or the Subordinate Loan Agreement, individually or collectively, as the context shall require.

“Loan Documents” means the Senior Loan Documents and the Subordinate Loan Documents, individually or collectively, as the context shall require.

“Loans” means the Senior Loans and/or the Subordinate Loan individually or collectively, as the context shall require.

“MFS” means Metropolitan Family Services, an Illinois not-for-profit corporation.

“NT Senior Lender” means The Northern Trust Company, an Illinois banking corporation.

“NT Senior Loan” means the senior loan in the original principal amount of \$5.5 million provided by the NT Senior Lender to the Project Coordinator pursuant to the NT Senior Loan Agreement to finance the CPS CPC Program.

“NT Senior Loan Agreement” means the senior loan agreement by and between the NT Senior Lender and the Project Coordinator.

“Operational Meeting” has the meaning set forth in Section 4.01 of the Pay For Success Agreement.

“Ordinance” has the meaning set forth in the Recitals to the Pay For Success Agreement.

“Other Funding Sources” means sources of funding, including grants and charitable contributions, other than the Pay-For-Success Payments and the Loans.

“Parent Resource Teacher or PRT” means an employee of CPS who conducts daily parent workshops, and one on one conferences with parents to support parental engagement in the

classroom, provide supports to families with community resources, and education to families on best practices with their children at home and in school.

“Pay For Success Agreement” means the Loan Agreement and Pay For Success Contract, dated as of the date hereof, by and between the City and the Project Coordinator pursuant to which the City agrees to make Pay-For-Success Payments on behalf of the Board and on its own behalf to the Designated Accounts based upon the results of the CPS CPC Program to repay the Loan Advances.

“Pay-For-Success Escrow Agreement” means the City of Chicago Pay-For-Success Escrow Agreement among the City, the Project Coordinator and _____, as escrow agent, pursuant to which the City PFS Escrow Account is maintained and amounts held therein are disbursed.

“Pay-For-Success Payments” means Board Pay-For-Success Payments and/or the City Pay-For-Success Payments, individually or collectively, as the context shall require.

“Performance Measures” has the meaning set forth in the Intergovernmental Agreement.

“Pledge and Security Agreement” means the pledge and security agreement, dated as of the date hereof, by and among the Project Coordinator on the one hand and the Senior Lenders on the other hand.

“Project Coordinator” has the meaning set forth in the Preamble to the Pay For Success Agreement.

“Project Draw Request” shall have the meaning set forth in the Intergovernmental Agreement.

“Project Year” means each successive 12-month period during the term commencing on the Project Year Initial Advance Date, with each Project Year corresponding to a Fiscal Year of the Board.

“Project Year Budget” for each Project Year shall mean the Board’s budget for such Project Year as Approved by the Lender Committee reflecting (i) the IFF Program Transfer Amounts for such Project Year and (ii) the Board’s costs of the administration of the Project Year Program for the applicable Project Year.

“Project Year Cohort” means the Initial Project Year Cohort or the Subsequent Project Year Cohort as the context shall require.

“Project Year Initial Advance Date” shall mean, for each Project Year, the date on which the Project Coordinator initially transfers IFF Program Transfer Amounts to the City for a particular Project Year Cohort.

“Project Year Program” means the program of the Project Coordinator’s funding of the CPS CPC Program for an applicable Project Year.

“Project Year Subsequent Advance Date” shall mean the date, subsequent to the Project Year Initial Advance Date, on which the Project Coordinator transfers IFF Program Transfer Amounts to the City for a particular Project Year Cohort.

“Project Year Supplement” means a supplement prepared by the Board, in consultation with the Technical Services Provider, and agreed to by the City, the Board and the Project Coordinator and Approved by the Lender Committee, with respect to each Subsequent Project Year to reflect for such Project Year (i) the Board Project Year Budgeted Amount, (ii) the City Project Year Appropriated Amount, (iii) the size of the Subsequent Year Project Cohort, (iv) the Project Year Budget including the IFF Program Transfer Amounts, (v) the “base case” level of Pay-For-Success Payments resulting from a change in the size of the Subsequent Project Year Cohort and (vi) any revisions to the Core Program Principles for the Subsequent Project Year.

“Promotional Material” has the meaning set forth on *Appendix E* to the Pay For Success Agreement.

“Rating Services” means the nationally recognized rating services, or any of them, that shall have assigned ratings to any outstanding obligation of the Board as requested by or on behalf of the Board, and which ratings are then currently in effect.

“School-Community Representative” means an employee of CPS who serves as a direct liaison between the CPC Center and the community by monitoring students’ attendance and supporting the recruitment, application, registration and enrollment of students through community outreach, home visits, and coordinated efforts with the Collaborative Leadership team.

“Semi-Annual Period” means the semi-annual period ending June 30 or December 31, as applicable.

“Senior Lender(s)” means the GSSIF Senior Lender and/or the NT Senior Lender, individually or collectively, as the context shall require.

“Senior Lender Intercreditor Agreement” means the intercreditor agreement, dated as of the date hereof, by and between the GSSIF Senior Lender, the NT Senior Lender and the Project Coordinator.

“Senior Loan(s)” means the GSSIF Senior Loan and/or the NT Senior Loan, individually or collectively, as the context shall require.

“Senior Loan Document(s)” means the GSSIF Senior Loan Agreement, the NT Senior Loan Agreement, the Pledge and Security Agreement and the DACA, individually or collectively as the context shall require.

“Social Impact Reporting Requirements” means the social impact reporting requirements set forth in Schedule 4.5 of the GSSIF Senior Loan Agreement.

“SPED Payments” has the meaning set forth in Section 3.02 of the Pay For Success Agreement.

“Steering Committee” has the meaning set forth in Section 4.01 of the Pay For Success Agreement.

“Subordinate Lender” means the Pritzker Family Foundation, an Illinois not-for-profit corporation, and its successor and assigns.

“Subordinate Loan” means the subordinate social impact loan provided by the Subordinate Lender to the Project Coordinator pursuant to the Subordinate Loan Agreement to finance the CPS CPC Program.

“Subordinate Loan Agreement” means the loan agreement by and between the Subordinate Lender and the Project Coordinator.

“Subordinate Loan Documents” has the meaning ascribed to the term “Loan Documents” in the Subordinate Loan Agreement.

“Subsequent Project Year” means each Project Year subsequent to the Initial Project Year.

“Subsequent Project Year Cohort” means, for any Subsequent Project Year, such number of children set forth in the Project Year Supplement for such Subsequent Project Year Cohort.

“Subsequent Project Year Funding Schedule” means the schedule on which (subject to the applicable terms and conditions of the respective Loan Documents) each Lender will fund its Loan to the Project Coordinator during the applicable Subsequent Project Year.

“Success” has the meaning set forth in the Intergovernmental Agreement.

“Technical Services Agreement” means the technical services agreement, dated as of the date hereof, between the Project Coordinator and the Technical Services Provider.

“Technical Services Provider” means MFS or such other provider of the services contemplated by the Technical Services Agreement as is approved by the Board, the City, the Project Coordinator and the Lender Committee.

“Third Grade Literacy” has the meaning set forth in the Evaluation Plan.

“Third Grade Literacy Payments” has the meaning set forth in Section 3.01 of the Pay For Success Agreement.

“Third Grade Literacy Test” means the PARCC standardized test or such other national test that is equivalent to the PARCC standardized test and that is agreed upon by the City and the Board with the Approval of the Lender Committee.

“Unanimous Act of the Program Parties” has the meaning set forth in Section 7.08 of the Pay for Success Agreement.

EXHIBIT B

FORM OF SOCIAL IMPACT REPORTING REQUIREMENTS
(Schedule 4.5 of GSSIF Senior Loan Agreement)

(1) Social Impact Reporting.

(a) Social Impact Report. For so long as Borrower's Obligations under each Loan Agreement are outstanding, Borrower shall provide a report (the "Social Impact Report") to each Lender by no later than September 30 of each year (the "Reporting Date") (commencing with September 30, 2015) during the Term describing the positive social effects and results of the Project during the applicable time periods described below. Each Social Impact Report shall, at a minimum, include the following data ("Report Data") to the extent such Report Data is available to CPS, the Evaluator and/or Borrower without unreasonable effort or expense:

(i) The Total Number of Special Education Slots Avoided (as such term is defined in the Evaluation Plan) for each Cohort in kindergarten through sixth grade as determined by the Evaluator through the end of the twelve-month period ended the previous June 30;

(ii) The Total Number of Kindergarten Ready Children (as such term is defined in the Evaluation Plan) for each Cohort as determined by the Evaluator through the end of the twelve-month period ended the previous June 30;

(iii) The Total Number of Third Grade Children Reading at Grade Level (as such term is defined in the Evaluation Plan) for each Cohort as determined by the Evaluator through the end of the twelve-month period ended the previous June 30;

(iv) The net public savings achieved by the Total Number of Special Education Slots Avoided for each Cohort in kindergarten through sixth grade as estimated by CPS through the end of the twelve-month period ended the previous June 30;

(v) For the period through December 31, 2018:

1. The number of jobs at CPS that have been created for both full- and part-time permanent positions due to hiring at the CPS CPC Program sites as a result of the Loans, and the annual base and anticipated bonus compensation for each set of such newly-created jobs in \$20,000 increments (e.g. ten jobs in the bracket of \$20,000-\$40,000, ten jobs in the bracket of \$40,000-\$60,000, etc.);

2. Information regarding the demographic diversity of the employees hired to fill such newly-created jobs (e.g., the number of female or racial and/or ethnic minorities employees hired) at CPS CPC Program sites;

3. The median average hourly wages paid for both full- and part-time permanent employees hired at CPS CPC Program sites;
4. A description of the employment programs and benefits for CPS employees in such newly-created positions, including the following: health insurance, skills training, credentialed workforce development, financial education or income support assistance, paid time-off, employee wealth-building via ownership, retirement program, stock options, or bonuses;

(vi) Other statistical and quantitative information relating to the effects of the CPS CPC Program as captured by CPS and/or the Evaluator and as reasonably requested by GSSIF Senior Lender; and

(vii) Other information (which shall be reported in such a fashion as to not reveal any individual's identity) reflecting the "non-quantitative" impacts of the CPS CPC Program for the Treatment Group (as defined in the Evaluation Plan) as may be available, such as, but not limited to, anecdotes illustrating the impact of the Treatment Group relating to experiences occurring during the Project Year then ended.

(b) Use of Report Data; Confidentiality and Non-Disclosure. GSSIF Senior Lender shall have the right to use Report Data for the purposes of reporting to Goldman Sachs Social Impact Fund, GP, LLC, the General Partner of GSSIF Senior Lender, and actual or prospective investors in or lenders to GSSIF Senior Lender and, subject to Section 11.24 of the GSSIF Senior Loan Agreement, pitches to media, speeches and publications. GSSIF Senior Lender acknowledges and agrees that any Report Data provided by Borrower pursuant to this Agreement shall be subject to the confidentiality and non-disclosure provisions set forth in the City Pay for Success Contract.

(2) Modification. This Schedule shall not be modified to increase the frequency or content of the Social Impact Report without the consent of the City and CPS.

EXHIBIT C

FORM OF FUNDING SCHEDULE, PROJECT YEAR BUDGET, BASE CASE LEVEL OF
PAY-FOR-SUCCESS PAYMENTS AND OTHER TERMS

C-1

EXHIBIT D

FORM OF EVALUATION PLAN

D-1

Chicago Child-Parent Center Social Impact Bond
Form of Evaluation Plan

October 5th 2014

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INTRODUCTION AND STUDY OBJECTIVES

The purpose of this document is to describe the methodology to be used to evaluate the impact of the Child Parent Center (CPC) Social Impact Bond (SIB) expansion on three primary impact outcomes: Special Education Utilization, Kindergarten Readiness, and Third Grade Literacy. This document also describes additional research questions that the Evaluator will seek to explore in collaboration with CPS to help the CPCs improve their performance. This methodology will be developed in conjunction with CPS and other experts in the early education field.

Participants in the CPC program (the Treatment Group) will be compared to groups of matched comparison students who did not have a CPC experience through the use of a propensity score matching algorithm. One comparison group will consist of children who did not attend any form of CPS Pre-K (No Pre-K comparison group). Another group will consist of children who attended some other type of CPS pre-K program, such as Head Start or Pre-School for All (Other Pre-K comparison group).

Payments based on Special Education utilization for the SIB project will be calculated using the difference in outcomes between the Treatment group and the No Pre-K comparison group.

Payments based on Kindergarten Readiness and Third Grade literacy will be calculated using outcomes of the treatment group relative to national standards

The Other CPS Pre-K comparison group will be used for sensitivity analyses and for addressing other research questions not related to payment triggers.

For the purposes of calculating payments owed as part of the SIB transaction, impacts will be estimated using the total population of eligible students at SIB CPC sites, and then scaled to reflect the actual number of seats funded by the Lenders. We will adjust the scaling factors annually to reflect observed mobility trends.

The primary impact outcome questions are as follows:

1. What is the impact of the CPC program on the rate at which students need an IEP?
2. What is the impact of the CPC program on Kindergarten Readiness as defined by performance on the TS Gold instrument (completed by teachers at the end of preschool)?
3. What is the impact of the CPC program on Third Grade literacy as defined by performance on the CPS 3rd grade assessment?

In addition to these impact outcome questions, this evaluation will also seek to answer qualitative research questions that will help improve the performance of the program going forward unrelated to the Pay for Success calculations. These research questions will be developed more fully in conjunction with CPS and other experts in the early education field, and will only be pursued subject to additional external funding. The questions may include:

1. How do the primary impact outcomes vary by key subgroups, including gender, race, prior pre-school attendance, English language learner status, and potentially other subgroups?
2. How is the CPC program impacting attendance in Pre-K? How does attendance vary by site? How does attendance vary compare to other CPS Pre-K programs? Are there policies in place at specific sites that could be driving improved attendance?
3. How does the CPC program support a transition to Kindergarten? What sites are better at retaining children from Pre-K to K, both within their host school and within the entire district? Where do children who transfer within CPS go and why? Are there different impact outcomes for students who have less mobility?

4. How successful is the CPC program at improving social-emotional learning outcomes (defined by the social-emotional components of the TS Gold instrument) compared to children enrolled in other CPS pre-K programs?
5. How successful is the CPC model at engaging parents? What strategies are the most effective at encouraging parental engagement? What strategies appear to have the greatest impact on children's outcomes?

This document will serve as a template for how the evaluation will be conducted. The Evaluator will draft a final Evaluation Plan to be approved by CPS, the City, the Project Coordinator with Approval of the Lender Committee (such term being defined herein as such term is defined in the Loan Documents of the Lenders) using this document as a framework. No changes to payment terms or payment terminology will be made.

STUDY POPULATION

Eligible Population – Treatment Group

The Treatment Group in this study will consist of four-year-olds¹ who are attending Pre-K at any of the CPC SIB sites, in full day or half day programs, who at any point during the school year are eligible for the National School Lunch Program (NSLP).

In the first year of the program, the following sites will be considered CPC SIB sites:

- De Diego
- Melody
- Peck
- Thomas
- Wadsworth
- Hanson Park

In the second year of the program, two additional sites, identified by CPS and approved by the City, will be added to the list of CPC SIB sites in addition to the sites listed above. If SIB funding in future years is used to add classrooms at additional schools as part of this project, those schools can be considered CPC SIB sites as well. If SIB funding is removed from one of the above sites, that site will no longer be considered a CPC SIB site.

A child may enter the program based on CPS age eligibility criteria. For the 2014/15 school year, this entailed being age 4 as of September 1st.

All four-year-olds at CPC SIB sites, including children attending full-day classes, will be included in the treatment group, subject to the exclusions listed below.

In the first year of the program, we anticipate that 374 new slots for four-year-olds will be created through the SIB program. In the second year of the program, we anticipate that we will create an additional 408 new slots for four-year-olds in addition to maintaining funding for the original 374. In the third year of the program, we anticipate that we will maintain the 782 new slots that were created in years one and two. In the fourth year of the project, we expect to provide funding for at least 680 slots. Overall at CPC SIB sites, we anticipate that approximately 840 four-year-olds will be served per year once the program is operating at scale, with 782 of those positions funded by the SIB. The new slot amounts will be finalized prior to the launch of each new cohort.

¹ The intention is to identify children in the "age cycle four" year – the year prior to when they are planning to attend Kindergarten. At the time of the drafting of this document, this was defined by CPS as attaining age four on or before September 1st. This age identification protocol may be adapted as necessary to capture these children.

Year 1 contingency for CPC Treatment Group

Due to the timing of the contracting, some of the new classrooms to be added in the 2014/15 school year will not be ready to serve children until the school year has already begun. Five of the Year 1 CPC SIB Sites where we will be adding additional classrooms (De Diego, Melody, Peck, Thomas, and Wadsworth) have been operating as a CPC for a year or more. As a result, they have an established leadership team, trained and experienced teachers, and fully outfitted classrooms.

To ensure that the children being tracked are receiving a sufficient dosage of the CPC program, for Year 1 only we will restrict the Treatment group eligibility to children who are enrolled in one of these five established CPC SIB sites, in a classroom that was already established as of September 2nd 2014 (the start of the 2014/15 school year). CPS will proceed with opening the new classrooms once all contractual issues have been resolved, but the children who are enrolled in those classrooms (including children at Hanson Park, the new CPC for Year 1) will not be included in the outcome calculations for the purposes of determining payments. This will allow CPS leeway to identify and train high quality teachers, and mitigate the risk that the outcomes (or underlying characteristics) of children who enroll in a CPC Pre-K after the start of the year are different from those of their peers who enrolled at the start of the year. The outcomes of these late-enrollees can be used as a unique sub-group, but will not factor into any calculations that determine payment amounts.

It is anticipated that the sample size of eligible four-year-olds in existing classrooms at existing CPC SIB sites will be at least 300 students. As with future analyses, when calculating payments this number will be scaled to reflect the actual number of slots funded by the Lenders as part of this initiative.

Eligible Population – No Pre-K Comparison Group

The No Pre-K Comparison Group in this study will be identified via a propensity score matching algorithm that pulls from a pool of eligible No Pre-K children districtwide. The pool of eligible No Pre-K children will include all children who meet the following criteria:

- Are enrolled in a CPS Kindergarten program, excluding:
 - Charter schools
 - Schools currently operating a CPC, as part of the SIB program or otherwise
 - Magnet and Selective Enrollment Schools
 - Schools that serve exclusively a special education population
- Are five years of age as of September 1st
- Did not attend a CPS Pre-K program in the school year prior to beginning Kindergarten
- Did not attend a Head Start program funded through the City of Chicago
- Are eligible for NSLP at any point during the school year

A child will be considered to have attended a Pre-K program if that child attended 10 days or more of a city funded pre-school program, or any days at any CPC site over the course of the school year. Days need not have been attended consecutively.

The No Pre-K Comparison group will be identified the year that their matched Treatment cohort begins Kindergarten to ensure that children within both groups are on the same age cycle.

Eligible Population – Other CPS Pre-K Comparison Group

The Other CPS Pre-K Comparison Group in this study will be identified via a propensity score matching algorithm that pulls from a pool of eligible children who attended other forms of CPS pre-K within the district. The pool of eligible Other CPS Pre-K children will include children who meet the following criteria:

- Are enrolled in a CPS Pre-K program, excluding:
 - Charter schools
 - Schools currently operating a CPC, as part of the SIB program or otherwise

- Magnet and Selective Enrollment Schools
- Schools that serve exclusively a special education population
- Are four years of age as of September 1st.
- Are eligible for NSLP at any point during the school year

The Other CPS Pre-K Comparison group will be identified the same year that their matched Treatment cohort begins pre-school to ensure that children within both groups are on the same age cycle. This group will only be identified subject to available external funding

Exclusions for payment calculations

The hypothesis is that the CPC program will have the biggest impact on children who are deemed at risk for poor school performance and achievement, but who lack a severe or significant disability. Without additional support, many of these children may end up being diagnosed with a mild learning disability, emotional disturbance, or developmental delay (including speech/language impairment). For these children, additional support in the classroom and at home can help ensure that they stay on track developmentally with their peers, avoiding the need for years of special education services.

The same impact is not expected for children with severe disabilities (identified in preschool or at a later date), and it is also not expected that a preschool intervention would meet the needs of the child without the benefit special education services, nor would that be appropriate or within the parameters of a child's right to a free and appropriate education. To ensure that children have access to the supports they need based on a clinical evaluation, if a child at any point during the course of the study is diagnosed with a severe disability, he or she will be removed from the study group during the year that the disability is added to the child's IEP onward. The preliminary list of severe disabilities, with input from the Independent Evaluator, may be as follows:

- autism
- deaf-blindness
- deafness
- hearing impairment
- orthopedic impairment
- other health impairment
- traumatic brain injury
- visual impairment
- multiply disabled²
- intellectual disability
- students placed into self-contained classrooms for children with special needs

This list may be adapted at the discretion of the Evaluator with approval from CPS, the City, the Project Coordinator, and the Approval of the Lender Committee.

RECRUITMENT PROCEDURES

Children are identified for enrollment under the *Chicago: Ready to Learn!* application process. A timeline of application, placement, registration, and enrollment of children for the 2014/15 school year is provided below; this will also serve as an illustrative plan for how the process will occur in future years:

	Action	Description
April and June 2014	<i>Chicago: Ready to Learn!</i> Application Rounds 1 & 2	Parents obtain information about potential programs through chicagoearlylearning.org , cps.edu/readytolearn and the Chicago: Ready to Learn! hotline. Parents apply at application centers across the city for preschool under two application rounds. ³ The first round is held during the month of March - April and the second round is held during the month of May-June. Parents can choose up to three schools.
May and July/August 2014	Placement	Parents are offered a placement in a school and/or are placed on a waiting list. Children placed in a preschool program or on a waiting list are put into schools' Program Management in the CPS SIM IMPACT system.
June through September 2014	Registration	Parents accept or decline placement. Schools notify parents of registration dates and times. Schools indicate parents' acceptance or decline of placement in Program Management and move registered children into the classroom Homerooms for IMPACT. Teachers complete the registration packet with families for all new students. Clerks enter identifying additional information into the IMPACT system.
September 2014	Enrollment	Children are enrolled upon attendance on the first day of school.

² Intended to represent students with multiple severe disabilities

³ For a complete list of application centers, see http://cps.edu/Schools/EarlyChildhood/Documents/ApplicationSites_SY14_15.pdf or <http://cps.edu/readytolearn>. Every CPC also is capable of accepting applications directly.

September 2014 onward	Rolling enrollment	Schools continue to enroll students throughout the school year as slots open up due to attrition, new funding, etc. Staff conduct additional outreach in communities with lower than expected enrollment to help fill all the slots. This includes additional ad spots, flyers, and community events. These children will only be included for evaluation purposes if they meet the dosage and eligibility requirements outlined in this document.
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INTERVENTION AND OUTCOMES

Defining the Intervention

The CPC SIB intervention will provide one year of half-day CPC Pre-K to four-year-olds at CPC SIB sites. The key components of the CPC model are as follows:

Effective Learning Experiences

- Offer Pre-K classes that are limited to 34 children for half-day classrooms (two sessions of 17 children each) and have a minimum of 2 teaching staff. Full day classrooms, if available, will be limited to 20 children per session.
- Provide highly qualified educational staff that will provide the classroom instruction and parent engagement activities. For example, classroom teachers are certified with a bachelor's degree (or higher). Overall, program staff must adhere to the requirements set forth by the CPS Talent office, in accordance with collective bargaining unit agreements, and state regulations. Any changes in CPS education and certification requirements will be complied with.
- Use data to drive instruction by effectively documenting the organization and implementation of instructional practices to monitor quality and adherence to the Program, which is completed by all Program staff where appropriate.
- Program staff meet with parents over the course of each school year to review their child's progress and discuss parent program opportunities with the Parent Resource Teacher (PRT).

Aligned Curriculum

- Implement a CPS District curriculum and formative assessment that is aligned to standards, domains of learning, assessments, and learning activities.
- Collaborate with the PRT and classroom teachers to ensure that opportunities to engage families in student learning are available, appropriate and aligned to the program and parents' needs.
- CPS and, most specifically, the Office of Early Childhood Education provides meaningful professional development and ongoing coaching and feedback for teachers, aides, and other staff members that facilitates high-quality instructional practices.

Parent Involvement and Engagement

- Engage a PRT and School-Community Representative (SCR) to work closely with the Head Teacher and Liaisons to maintain a consistently supportive parent program.
- Encourage parents to sign a CPC school-home agreement at the start of the school year outlining a plan for fostering learning at home and participating in CPC activities.
- Offer and engage families in monthly activities. PRTs create and distribute a monthly parent involvement calendar, and conduct parent/teacher conferences over the year to review progress in the parent program.
- Provide a resource room dedicated to parent and family activities through Kindergarten when possible.

- Provide culturally responsive learning opportunities for families that provide flexibility for families' needs and schedules.

Collaborative Leadership Team

- Engage a Program leadership team that includes the Head Teacher, Parent Resource Teacher, and School-Community Representative.
- Meet regularly, under the direction of the Principal to discuss operations and best practices within the CPC.
- Meet regularly, under the direction of the OECE Management Team, with staff from across sites to share challenges, experiences, and best practices and makes frequent on-site visits to monitor quality and effectiveness to the Program.
- Establish meaningful partnerships with community providers to strengthen service delivery and enlist local universities in training opportunities.

Continuity and Stability

- CPC Pre-K classrooms are co-located in the same building as Kindergarten classrooms, when possible, to promote familiarity and integration for students as they transition to Kindergarten.
- Provide a structure of communication, planning, and joint activities, under the direction of the principal, Leadership team and OECE Management Team, from Pre-K through the primary grades.

Provide a part-time Kindergarten aide when funding is available to support the transition into Kindergarten.

Professional Development System

- Offer ongoing professional development opportunities on current trends and needs in early childhood education classrooms, through the Office of Early Childhood Education and the CPC leadership teams, including topics such as quality curriculum and instruction, data driven instruction, learning environment, social and emotional needs, and parent engagement.
- Meet regularly and create professional learning communities to review ways to support their instruction in the classroom and with other teachers.

Defining Sufficient Dosage

Enrollment and attendance fluctuate throughout the year, with substantial changes during the early weeks of the school year. As a result, some of the children who start the year in a given classroom may not be the same children who end the year in that classroom. This may be due to for a variety of reasons such as mobility, a change in parents' schedules/ability to bring their children to school, or admission to a closer/more desirable program off of a waitlist later in the school year.

To ensure that CPC SIB children and families are receiving a minimum sufficient dosage of the CPC program, we will restrict analyses to children who attend a certain minimum cutoff of days. The Evaluator will examine historical data from CPS and other districts to determine trends in attendance and identify a cutoff that sufficiently indicates that a child has received enough of the program for us to expect to see an impact. We are temporarily placing this cutoff at 66% of school days in a given school year; children who attended fewer than 66% of days during their Pre-K year will be omitted from the primary analyses.

The Evaluator may add additional criteria based on an analysis of enrollment and attendance data with the approval of CPS, the City, and the Project Coordinator and Approval of the Lender Committee.

Similarly, for the No Pre-K Comparison group, we will limit the primary analysis sample to eligible No Pre-K children who attend at least 66% of school days in a given school year. If a child at any point during the Kindergarten year attends a school operating a CPC program, that child will be omitted from primary analyses.

Defining Primary Impact Outcomes

Special Education Utilization

The primary Special Education utilization outcome will be defined as a binary indicator of whether or not a student has a CPS-issued Individualized Education Plan (IEP) in a given year. This will be a data point provided as part of the regular data collection points by CPS. As described above, if a student has a diagnosis on his or her IEP of a severe disability, that student will be removed from the study pool for the primary analyses. This indicator will be collected annually ever year Kindergarten through 6th grade.

Kindergarten Readiness

CPS uses the Teaching Strategies Gold (TS Gold) instrument in all their Pre-K classrooms to track the development of children. Based on teacher observations, TS Gold measures the progress of children in domains such as socio-emotional, physical, language, literacy, and cognitive development.

The TS Gold instrument is utilized nationally in Head Start programs and some publicly-funded preschool programs. The primary outcome metric for Kindergarten Readiness will be the share of children which are performing at or above the national trends across at least five out of the following six domains: Literacy, Language, Math, Cognitive Development, Socio-Emotional, Physical health.

Third Grade Literacy

Currently, CPS is planning to adopt the PARCC standardized exam. Treatment group children will be measured relative to national percentile rankings on this test or the accepted District assessment administered for 3rd grade. In following with Lesnick et al (2010)⁴, every child reading at or above the 25th percentile on the English Language Arts/Literacy portion of the spring sitting of the PARCC test will be deemed to be reading at grade level. Any child reading at or above the 75th percentile nationally will be deemed to be reading above grade level. Any child reading below the 25th percentile will be deemed to be reading below grade level.

At the time of drafting this analysis, the PARCC test has yet to be officially implemented in CPS schools. Given the uncertainty of performance on this test and how its outcomes will compare to past tests taken by CPS students, the evaluator may suggest amendments to the definition of reading “on grade level” that could include utilizing a different test or metric. Any modifications must be made prior to the first cohort starting Third Grade, and must be approved by CPS, the City, the Project Coordinator, and Approved by the Lender Committee.

Defining Performance Improvement Questions

The details of these questions will be developed in conjunction with CPS and other partners over the 2014/15 school year. These analyses will be specified in full prior to the start of any data collection or analyses. These analyses will not affect the methodology or results of the primary impact outcomes, and will only be pursued subject to additional philanthropic or other funding.

DATA COLLECTION

Student data

Student data will be provided to the Evaluator by CPS. Pursuant to the data sharing agreement⁵, CPS will strip sensitive individual identifiers and replace them with an anonymous student ID. The key variables CPS will provide are:

- Student ID
- CPS School ID of school currently enrolled in
- Date of Birth (or birth month & year)
- Days attended to date
- IEP status
- IEP diagnoses
- Reported race
- Reported ethnicity
- Free/reduced price lunch eligibility

⁴ See http://www.chapinhall.org/sites/default/files/Reading_on_Grade_Level_111710.pdf

⁵ This data sharing agreement will be included as an appendix to this plan pending negotiation and drafting between CPS and the Evaluator.

- ZIP code of residence
- Fall and Spring TS Gold scores (if applicable)
- Any available variables on parental education
- Other variables deemed appropriate by the Evaluator and CPS for the purposes of creating a better propensity score match

Data will be collected on an annual basis on the last school day in June which is reported for accuracy in the beginning of July. This may be adjusted based on discussions between the Evaluator and CPS to reflect the earliest date that all the necessary data would be available.

Neighborhood data

The Evaluator will pull neighborhood data from publicly available census data, such as the American Community Survey 5-year averages, which break out characteristics by zip code. Neighborhood data include:

- Neighborhood % of population in poverty
- Neighborhood % of population that are single mothers
- Neighborhood % of population that is Black
- Neighborhood % of population that is Hispanic
- Neighborhood % of population employed
- Neighborhood crime statistics
- Neighborhood health indicators⁶

The Evaluator will update the neighborhood data file when creating a new cohort of matched groups.

School data

Data on school level characteristics will be provided by CPS, including:

- CPS School ID
- Total student body population
- % Free/RP lunch
- % Black
- % Hispanic
- School-wide attendance rate from the 2013/14 school year
- School Rating (Levels 1, 2, or 3) from the 2013/14 school year⁷

These data, except for attendance and the school rating, will be updated annually. Attendance and rating data from SY2013/14 (or the closest assessment prior to SY2013/14) will remain fixed to reflect the fact that the presence of a CPC may improve attendance and the school rating over time, which could affect the matching algorithm for later cohorts. The Evaluator may adjust this protocol if extraneous events such as school closures, new leadership, or expansive new programs are added at individual schools or system wide that could contribute to imbalanced matches.

Data Security

A data sharing agreement between CPS and the Independent Evaluator will define the parameters for sharing data required under this agreement.

STUDY DESIGN & OVERVIEW OF ANALYSES

Propensity score Matching Protocol

Comparison group students will be selected using a propensity score matching technique. Individuals from the treatment group will be matched to up to two individuals from the No Pre-K Comparison group and up to two individuals from the Other CPS Pre-K Comparison group. Matching will be conducted with replacement to allow comparison individuals to be matched more than once.

⁶ Crime stats and health indicators subject to availability of data. It may be possible to pull data from a Chapin Hall neighborhood analysis. These covariates may be omitted if it proves too difficult or costly to obtain them.

⁷ All these data are publicly available online at http://www.cps.edu/schools/find_a_school/pages/findaschool.aspx. School rating is based on the CPS Performance Policy which is used to rate CPS schools. A Level 1 rating is "excellent", a Level 2 rating is "good" and a Level 3 rating is "low".

To create the Treatment Group in school year t , the Evaluator will receive the data collected on the last day of June of school year t from CPS of all four-year-olds who attended a SIB CPC in school year t up to the date of the data collection. The data collected and shared will contain all the student data elements listed above. After screening for eligibility as described above and removing ineligible students from the sample, the Evaluator will use students' ZIP codes to merge on neighborhood data, and students' school IDs to merge on school characteristics. Neighborhood data will be collected from a reliable source such as Chapin Hall. This will create a de-identified student-level file that contains student-level characteristics, characteristics of that student's neighborhood of residence, and characteristics of that student's school.

To create the No CPS Pre-K pool to be used for matching to the Treatment cohort in school year t , the Evaluator will receive a data dump on the last day of June of school year $t+1$ from CPS of all five or six-year-olds who attended a CPS Kindergarten in school year $t+1$ up to the date of the data dump. The data dump will contain all the student data elements listed above. After screening for eligibility as described above and removing ineligible students from the sample, the Evaluator will use ZIP code data to merge on neighborhood data, and school ID data to merge on school characteristics.

To create the Other CPS Pre-K pool to be used for matching to the Treatment cohort in school year t , the Evaluator will receive a data dump on the last day of June of school year t from CPS of all four-year olds who attended a CPS Pre-K program other than CPC in school year t up to the date of the data dump. The data dump will contain all the student data elements listed above. After screening for eligibility as described above and removing ineligible students from the sample, the Evaluator will use ZIP code data to merge on neighborhood data, and school ID data to merge on school characteristics.

To create the matched No Pre-K Comparison group, the Evaluator will append the Treatment Group dataset and the No Pre-K Comparison pool dataset, creating an indicator to identify which children are members of the Treatment group. The Evaluator will then run a probit model using the treatment indicator as the dependent variable and the following variables as independent variables:

- Race binary indicators
- Ethnicity binary indicators
- Gender ("Male" binary indicator)
- Parental education (subject to availability)
- Language spoken at home binaries
- Neighborhood % poverty
- Neighborhood % single mothers
- Neighborhood % by race
- Neighborhood % by ethnicity
- Neighborhood % employed
- Neighborhood crime rates (subject to availability)
- Neighborhood health indicators (subject to availability)
- Total student population of school currently attending
- % Free/RP lunch at school currently attending
- Racial composition of school currently attending
- Ethnicity composition of school currently attending
- School-wide attendance rate from the 2013/14 school year
- School Rating binaries from the 2013/14 school year

Using the results of this model, the Evaluator will predict a propensity score based on a student's observed characteristics. This score effectively represents the likelihood that a child, given his individual, neighborhood, and school level characteristics, would be in the Treatment group.

The Evaluator will use a nearest-neighbor matching algorithm⁸ to identify the two closest matches based on propensity score for each Treatment group observation, with replacement.

Individuals from either the Treatment group or Comparison pool who are not matched will be dropped.

⁸ By way of example, see "nnmatch" stata command

The remaining students from the Comparison pool who were matched will become the No Pre-K Comparison group for the remainder of the study. Comparison group students will receive a frequency weight equal to the number of times they were matched. Note that as a result, the Comparison group should contain approximately two times as many unique individuals as the Treatment group.

The same protocol will be used to identify the Other CPS Pre-K Comparison group, replacing the No CPS Pre-K Comparison pool with the Other CPS Pre-K Comparison pool.

A unique set of comparison groups will be created for each Treatment cohort (see Appendix for a cohort timing chart).

Checking for covariate balance between groups

Once the comparison groups have been identified, the Evaluator will check for balance between the groups across matching demographics. The Evaluator will choose appropriate methods to check for balance, including but not limited to normalized differences and t-tests of mean values of covariates between groups. If the Evaluator determines that there is imbalance in covariates between groups, the Evaluator may choose to pursue a Matching Methodology Remedy as described below. The decision to pursue a remedy will be at the discretion of the Evaluator, taking into account the fact that with many matching variables and a p-value cutoff of .05, approximately 1 in 20 variables could have a statistically significant difference by random chance alone. The evaluator will consider the magnitude of the difference and the relative importance of the unbalanced variable(s) in question, placing particular attention to the individual-level race and gender indicators, the home language indicators, the neighborhood poverty indicators, and the school rating indicators.

Matching Methodology Remedies

In the event that the Evaluator deems that the propensity score matching algorithm has produced an inadequate match, the Evaluator may make modifications to the matching methodology. This could include introducing a caliper to ensure that certain variables are matched to within a narrow range (or matched exactly), adding or subtracting additional covariates, increasing or decreasing the number of matches, or other techniques deemed rigorous and appropriate by the Evaluator.

The Evaluator may also explore utilizing a set of comparison schools to limit the comparison pool. In this methodology, the Evaluator would identify a set of comparison schools that match the SIB CPC sites, identifying one to three schools for each site. The Evaluator would use a similar propensity score matching protocol, using school level characteristics, to identify these schools. From those comparison schools, the Evaluator would then perform a student-level propensity score match using a comparable methodology to the one described above. The Evaluator will then check for covariate balance to see if this produces better match results.

Once the Evaluator identifies a suitable comparison group that they deem to be well-matched on covariates, the Evaluator will present the match results, describing any changes that were made to the matching algorithm, which must be approved by CPS, the City, the Project Coordinator and Approved by the Lender Committee. The Evaluator should endeavor to use a similar matching protocol from year to year.

Calculating mobility factor

The theory behind the financing component of the SIB project is that providing the upfront intervention of high quality Pre-K can produce savings to CPS downstream through reduced Special Education utilization among the students served. For CPS to realize these savings, however, those students must remain in the CPS school district. If a student leaves the district, CPS would realize no savings from the fact that the intervention may have helped that student catch up to his peers and prevented him from acquiring an IEP.

As a result, the Evaluator will calculate a Mobility Factor for each cohort that will represent the share of the original cohort that is still enrolled in a CPS school in a given year. This will be used to adjust the payment amounts to better reflect savings realized by CPS.

To calculate mobility, every year Kindergarten through 6th grade the Evaluator will determine what share of the original children in a given group from the first year of observation are still enrolled in any CPS school. To do this, every year the Evaluator will send CPS a list of all the student IDs of the original group. CPS will match these IDs to their current enrollment database to determine which students were enrolled in a CPS school at any point in that school year. CPS will then return a dataset to the Evaluator indicating which student IDs are enrolled in a CPS school that year. The Mobility Factor will be defined as:

$$1 - \frac{\text{\# of original students currently enrolled in any CPS school}}{\text{\# of students originally enrolled in the group}}$$

By way of example, assume 500 Treatment group students were identified for the 2014/15 cohort. In SY2015/16, the Evaluator sends a list of these student IDs to CPS, who informs the evaluator that 460 of them are still enrolled at a CPS school. The cumulative mobility for that year would be $1 - 460/500 = .08$. In SY2016/17, the Evaluator sends the original list of student IDs to CPS again, who informs the evaluator that 440 of them are still enrolled at a CPS school. The cumulative mobility for SY2016/17 would be $1 - 440/500 = .12$.

For grades 7th through 12th, the Evaluator will impute a marginal mobility rate by averaging the incremental annual increase in the Mobility Factor over the last three years.⁹ Every year, the Evaluator will impute a new Mobility Factor based on the average imputed marginal mobility rate. See Appendix B for a full example using hypothetical data.

Calculating effect size for Special Education utilization

To calculate the impact on Special Education utilization, the Evaluator will calculate the Average Effect Size per Person, which will then be scaled to reflect the number of seats funded by the Lenders for the purposes of calculating payments. This will allow the Evaluator to utilize all the data available, increasing sample sizes and precision of estimates.

To calculate this, the Evaluator will use the following equation:

$$AESP_{i,t} = SPED_{C,i,t} - SPED_{T,i,t}$$

where $AESP_{i,t}$ is the Average Effect Size per Person for cohort i in year t , $SPED_{C,i,t}$ is equal to the average of a binary indicator of Special Education utilization among the No CPS Pre-K Comparison group for cohort i in year t and $SPED_{T,i,t}$ is the average of a binary indicator of Special Education utilization among the Treatment group for cohort i in year t . At the discretion of the Evaluator and with approval from CPS, the City, the Project Coordinator, and the Approval of the Lender Committee, the Evaluator may regression-adjust this estimate to help account for any differences in covariates between the Treatment group and the Comparison group.

Special Education outcomes will be calculated annually every year Kindergarten through 6th grade. Outcomes will be calculated separately for each cohort. Based on conversations with special education experts and reviewing existing CPS data, we believe that the vast majority of children who have a disability will be identified by the end of 6th grade. As a result, after the 6th grade effect size has been calculated, we will average the effect size over the last three years (4th, 5th and 6th grades) and lock in that average rate for the purposes of calculating payments in grades 7th through 12th. This lock-in rate will be calculated separately for each Treatment cohort. The Evaluator may propose changes to this lock-in methodology in the event that the Evaluator determines that this methodology produces skewed results. Any modifications must be approved by CPS, the City, the Project Coordinator, and Approved by the Lender Committee.

⁹ The Evaluator may revise the methodology for averaging the mobility rate if they determine that the current methodology includes a grade breakpoint year that could result in abnormally high mobility out of the district. This methodology must be finalized before the first cohort reaches 6th grade.

Calculating payments for Special Education utilization

To determine the size of Special Education payments owed in a given year for a given treatment group cohort, the Evaluator will multiply the Special Education Average Effect Size per Person for such cohort by the base cohort size multiplied by the 1 minus the cumulative mobility rate for that year. This will determine the Total Number of Special Education Slots Avoided for a given cohort in a given year:

$$\text{Total Number of Special Education Slots Avoided} = AESP_{i,t} * BCS_i * (1 - MF_{i,t})$$

where $AESP_{i,t}$ is the Average Effect Size per Person for cohort i in year t , BCS_i is the base cohort size for cohort i , and $MF_{i,t}$ is the cumulative mobility rate for cohort i in year t .

The base cohort sizes are based on the number of seats actually funded by investors. It is anticipated that the base cohort sizes will be as follows¹⁰:

Cohort Year	Base Cohort Size
2014/15	374
2015/16	782
2016/17	782
2017/18	680

The Total Number of Special Education Slots Avoided will then be multiplied by the Annual Savings Rate to determine the Special Education Payments owed for a given cohort in a given year. Negative payments will be rounded to zero. The Annual Savings Rate starts at a base of \$9,100 in 2015 and grows 1% annually. The table below provides the rates through 2030:

Year	Savings Rate
2015	\$9,100
2016	\$9,191
2017	\$9,283
2018	\$9,376
2019	\$9,469
2020	\$9,564
2021	\$9,660
2022	\$9,756
2023	\$9,854
2024	\$9,953
2025	\$10,052
2026	\$10,153
2027	\$10,254
2028	\$10,357
2029	\$10,460
2030	\$10,565

If applicable, the Special Education Payments from each cohort will be summed to produce the Total Special Education Payment owed by CPS for that year. These calculations will be reported to the Project Coordinator for the purposes of triggering payments to the Project Coordinator to be used to repay the lenders.

Payments for Special Education will be made every year K – 12th for each Treatment cohort.

¹⁰ Note that actual sample sizes used for calculating effect sizes may be larger or smaller than the number of seats funded.

Calculating effect size for Kindergarten Readiness

As part of the annual data pull, the Evaluator will receive spring TS Gold scores for Treatment group students. TS Gold regularly publishes a set of averages that reflect how children have scored nationally on TS Gold assessment sub-categories, broken out by the time of the test and the age in months of the child. Students will be classified as “meeting the national norms” for a sub-category if they score at or above the national mean spring score for that category for children in their age band.¹¹ The Evaluator will use the most up to date tables available.

Every child who scores at or above the national norm on at least five of the six subcategories in spring of their four-year-old pre-school year will be deemed “Kindergarten Ready.” To calculate the Kindergarten Readiness payment, the Evaluator will calculate the share of the Treatment group students deemed Kindergarten Ready. The Evaluator will then multiply this number by the base cohort size, multiplied by cumulative mobility from the Kindergarten year of a given cohort. This will determine the Total Number of Kindergarten Ready Children for a given cohort. The Evaluator will then multiply this number by the payment rate of \$2,900 to determine the total Kindergarten Readiness payments owed by the City for that cohort.

Calculating effect size for Third Grade Literacy

CPS is currently transitioning to the PARCC exam. As a result, the exact methodology for calculating Third Grade Literacy may have to be adapted pending observation of how the test is being administered, scored, etc. In particular, in the event that data suggests that fewer than 50% of students are scoring above the 25th percentile, the Evaluator will propose a new protocol or test for determining Third Grade Literacy that better captures the performance of students. The Evaluator will propose a final protocol for approval by CPS, the City, and the Project Coordinator with Approval of the Lender Committee prior to the start of the 2018/19 school year – the year the first cohort begins 3rd grade. A draft protocol is below:

As part of the annual data pull, the Evaluator will receive 3rd grade spring PARCC scores for Treatment group students. The PARCC test is administered nationally, and as a result the outcomes of Treatment students can be compared to national averages. Students will be classified as “reading at or above grade level” if they score at or above the 25th percentile on the English Language Arts/Literacy portions of the PARCC exam.

To calculate the Third Grade Literacy payment, the Evaluator will calculate the share of the Treatment group students deemed to be reading “at or above grade level”. The Evaluator will then multiply this number by the base cohort size, multiplied by cumulative mobility from the Third Grade year of a given cohort. This will determine the Total Number of Third Grade Children Reading at Grade Level for a given cohort. The Evaluator will then multiply this number by the payment rate of \$750 to determine the total Third Grade Literacy payments owed by the City for that cohort.

Investigating Highly Unexpected Outcomes

The results of this evaluation will govern the flow of millions of dollars of payments. While it is the full intention of all parties to accept the results of the evaluation, in the event that a highly irregular outcome is achieved, a mechanism must be in place to validate the findings and confirm that they are due to the impact of the program, and not a flaw in the analysis or evaluation design. The Evaluator will have complete discretion to decide if and when a validation of the findings may be necessary, but the following events will serve as guiding principles that could suggest that a validation may be warranted:

- The difference in Special Education Utilization rates between the Treatment group and No Pre-K comparison group is negative or not statistically different from zero (p-value <.05) for any cohort in any year after Kindergarten
- The No Pre-K comparison group Special Education Utilization rate is more than 2.5 times the Treatment group Special Education Utilization rate for any cohort in any year after Kindergarten
- An irregular pattern from one year to the next in Special Education utilization for a given group, defined as utilization shrinking by more than two percentage points for a given group, or increasing by more than seven percentage points
- A larger impact observed when comparing a Treatment group cohort to its corresponding Other CPS Pre-K Comparison group any year after 1st grade.

¹¹ See tables 5-14 of <https://www.k12.wa.us/assessment/pubdocs/GOLDTechnicalManual2ndEditionLambert2.pdf> for a list of the score thresholds.

The Evaluator will determine the appropriate techniques and mechanisms to employ to confirm the cause of the irregularity, which could include handchecking code, checking for continued balance in the treatment and comparison groups, and looking for policy changes within specific schools or system-wide that could have affected outcomes.

If the Evaluator finds a mechanical error, the results will be recalculated using the correction. If the Evaluator finds a methodological flaw, the Evaluator may propose a remedy to the evaluation plan to mitigate the inconsistency in future years. However, the results will not be recalculated for that year or any other past year. Changes to the plan must be approved by CPS, the City, and the Project Coordinator, and Approved by the Lender Committee.

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APPENDIX A: TIMING OF COHORTS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cohort 1											
Treatment	Identified and enroll in CPC PK	K	1st	2nd	3rd	4th	5th	4th-6th avg. SPED & Mobility rates locked			
Other CPS PK Comparison	Identified & enroll in other CPS PK	K	1st	2nd	3rd	4th	5th	4th-6th avg. SPED & Mobility rates locked			
No CPS PK Comparison	Identified and enroll in CPS K	1st	2nd	3rd	4th	5th	4th-6th avg. SPED & Mobility rates locked				
Cohort 2											
Treatment	Identified and enroll in CPC PK	K	1st	2nd	3rd	4th	5th	4th-6th avg. SPED & Mobility rates locked			
Other CPS PK Comparison	Identified & enroll in other CPS PK	K	1st	2nd	3rd	4th	5th	4th-6th avg. SPED & Mobility rates locked			
No CPS PK Comparison	Identified and enroll in CPS K	1st	2nd	3rd	4th	5th	4th-6th avg. SPED & Mobility rates locked				
Cohort 3											
Treatment	Identified and enroll in CPC PK	K	1st	2nd	3rd	4th	5th	4th-6th avg. SPED & Mobility rates locked			
Other CPS PK Comparison	Identified & enroll in other CPS PK	K	1st	2nd	3rd	4th	5th	4th-6th avg. SPED & Mobility rates locked			
No CPS PK Comparison	Identified and enroll in CPS K	1st	2nd	3rd	4th	5th	4th-6th avg. SPED & Mobility rates locked				
Cohort 4											
Treatment	Identified and enroll in CPC PK	K	1st	2nd	3rd	4th	5th	4th-6th avg. SPED & Mobility rates locked			
Other CPS PK Comparison	Identified & enroll in other CPS PK	K	1st	2nd	3rd	4th	5th	4th-6th avg. SPED & Mobility rates locked			
No CPS PK Comparison	Identified and enroll in CPS K	1st	2nd	3rd	4th	5th	4th-6th avg. SPED & Mobility rates locked				

APPENDIX B: SAMPLE MOBILITY CALCULATIONS USING SIMULATED DATA

Sample Mobility Calculations Using Hypothetical Data					
School Year	Grade	Original Enrollment	Students still enrolled at a CPS school	Cumulative Mobility	Marginal Mobility
2014	PK	500	460	.08	.08
2015	K	500	440	.12	.04
2016	1st	500	415	.17	.05
2017	2nd	500	405	.19	.02
2018	3rd	500	390	.22	.03
2019	4th	500	378	.244	.024
2020	5th	500	365	.27	.026
2021	6th	500	353	.294	.024
			<i>Imputed average marginal mobility for future calculations:</i>		.025
School Year	Grade	Original Enrollment	Imputed Students still enrolled at a CPS school	Cumulative Mobility	Imputed Marginal Mobility
2022	7th	500	341	.319	.025
2023	8th	500	328	.343	.025
2024	9th	500	316	.368	.025
2025	10th	500	304	.393	.025
2026	11th	500	291	.417	.025
2027	12th	500	279	.442	.025

EXHIBIT E

FORM OF CORE PROGRAM PRINCIPLES

Effective Learning Experiences

- Offer Pre-K classes that are limited to 34 children for half-day classrooms (two sessions of 17 children each) and have a minimum of 2 teaching staff. Full day classrooms, if available, will be limited to 20 children per session.
- Provide highly qualified educational staff that will provide the classroom instruction and parent engagement activities. For example, classroom teachers are certified with a bachelor's degree (or higher). Overall, program staff must adhere to the requirements set forth by the CPS Talent office, in accordance with collective bargaining unit agreements, and state regulations. Any changes in CPS education and certification requirements will be complied with.
- Use data to drive instruction by effectively documenting the organization and implementation of instructional practices to monitor quality and adherence to the Program, which is completed by all Program staff where appropriate.
- Program staff meet with parents over the course of each school year to review their child's progress and discuss parent program opportunities with the Parent Resource Teacher (PRT).

Aligned Curriculum

- Implement a CPS District curriculum and formative assessment that is aligned to standards, domains of learning, assessments, and learning activities.
- Collaborate with the PRT and classroom teachers to ensure that opportunities to engage families in student learning are available, appropriate and aligned to the program and parents' needs.
- CPS and, most specifically, the Office of Early Childhood Education provides meaningful professional development and ongoing coaching and feedback for teachers, aides, and other staff members that facilitates high-quality instructional practices.

Parent Involvement and Engagement

- Engage a PRT and School-Community Representative (SCR) to work closely with the Head Teacher and Liaisons to maintain a consistently supportive parent program.
- Encourage parents to sign a CPC school-home agreement at the start of the school year outlining a plan for fostering learning at home and participating in CPC activities.
- Offer and engage families in monthly activities. PRTs create and distribute a monthly parent involvement calendar, and conduct parent/teacher conferences over the year to review progress in the parent program.
- Provide a resource room dedicated to parent and family activities through Kindergarten when possible.
- Provide culturally responsive learning opportunities for families that provide flexibility for families' needs and schedules.

Collaborative Leadership Team

- Engage a Program leadership team that includes the Head Teacher, Parent Resource Teacher, and School-Community Representative.
- Meet regularly, under the direction of the Principal to discuss operations and best practices within the CPC.
- Meet regularly, under the direction of the OECE Management Team, with staff from across sites to share challenges, experiences, and best practices and makes frequent on-site visits to monitor quality and effectiveness to the Program.
- Establish meaningful partnerships with community providers to strengthen service delivery and enlist local universities in training opportunities.

Continuity and Stability

- CPC Pre-K classrooms are co-located in the same building as Kindergarten classrooms, when possible, to promote familiarity and integration for students as they transition to Kindergarten.
- Provide a structure of communication, planning, and joint activities, under the direction of the principal, Leadership team and OECE Management Team, from Pre-K through the primary grades.

Provide a part-time Kindergarten aide when funding is available to support the transition into Kindergarten.

Professional Development System

- Offer ongoing professional development opportunities on current trends and needs in early childhood education classrooms, through the Office of Early Childhood Education and the CPC leadership teams, including topics such as quality curriculum and instruction, data driven instruction, learning environment, social and emotional needs, and parent engagement.
- Meet regularly and create professional learning communities to review ways to support their instruction in the classroom and with other teachers.

DE-2

The Secretary called the roll and the vote was as follows:

Yea: Mr. Ruiz, Ms. Zopp, Dr. Azcoitia, Ms. Quazzo, and President Vitale – 5

Nays: Dr. Bienen – 1

Board Member Dr. Hines abstained on Board Report 14-1022-RS3.

President Vitale thereupon declared Board Report 14-1022-RS3 adopted.

14-1022-EX5

REPORT ON PRINCIPAL CONTRACT (NEW)

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING:

Accept and file a copy of the contract with the principal listed below who was selected by the Local School Council pursuant to the Illinois School Code and the Uniform Principal's Performance Contract #14-0625-EX12.

DESCRIPTION: Recognize the selection by the local school council of the individual listed below to the position of principal subject to the Principal Eligibility Policy, #14-0723-PO1, and approval of any additional criteria by the General Counsel for the purpose of determining consistency with the Uniform Principal's Performance Contract, Board Rules, and Law.

The Talent Office has verified that the following individual has met the requirements for eligibility.

NAME	FROM	TO
Crystal Dorsey	Interim Principal Higgins	Contract Principal Higgins Network: 13 P.N. 131528 Commencing: September 10, 2014 Ending: September 9, 2018

LSC REVIEW: The respective Local School Council has executed the Uniform Principal's Performance Contract with the individual named above.

AFFIRMATIVE ACTION STATUS: None.

FINANCIAL: The salary of this individual will be established in accordance with the provisions of the Administrative Compensation Plan.

PERSONNEL IMPLICATIONS: The position to be affected by approval of this action is contained in the 2014-2015 school budget.

14-1022-AR1

REPORT ON BOARD REPORT RESCISSIONS

THE GENERAL COUNSEL REPORTS THE FOLLOWING:

I. Extend the rescission dates contained in the following Board Reports to December 17, 2014 because the parties remain involved in good faith negotiations which are likely to result in an agreement and the user group(s) concurs with this extension:

1. 11-0928-OP1: Reaffirm Board Report 11-0727-OP4: Authorize Entering into a Lease Agreement with the Chicago Park District for Gately Stadium.

User Group: Office of Real Estate
Services: Lease Agreement
Status: In negotiations

2. 11-1214-OP1: Amend Board Report 10-1215-OP1: Amend Board Report 10-0825-OP1: Approve Entering into an Intergovernmental Agreement to Exchange Land, an Amendment to the Lease Between the Public Building Commission and the Board, a Shared Use and Temporary License Agreement with the Chicago Park District Each in Connection with an Addition to the Edgebrook School.

Services: Intergovernmental Agreement
User Group: Real Estate
Status: In negotiations

3. 13-0227-EX8: Approve the Renewal of the Charter School Agreement with North Lawndale College Preparatory Charter High School.

Services: Charter School
User Group: Office of New Schools
Status: In negotiations

4. 13-0724-OP4: Approve New Lease Agreement with Montessori School of Englewood Charter for a Portion of O'Toole Elementary, Located at 6550 South Seeley Avenue.

Services: Lease Agreement
User Group: Real Estate
Status: In negotiations

5. 13-0724-OP5: Approve New Lease Agreement with Noble Network of Charter Schools for Portion of Bowen High School, Located at 2710 East 89th Street.

Services: Lease Agreement

User Group: Real Estate

Status: In negotiations

6. 13-0724-OP6: Approve New Lease Agreement with Noble Network of Charter Schools for Portion of Corliss High School, 821 East 103rd Street.

Services: Lease Agreement

User Group: Real Estate

Status: In negotiations

7. 13-0724-OP7: Approve New Lease Agreement with Noble Network of Charter Schools for Portion of Revere School Building, Located at 1010 E. 72nd Street.

Services: Lease Agreement

User Group: Real Estate

Status: In negotiations

8. 13-0925-PR13: Authorize New Agreement with Health Care Service Corporation d/b/a Blue Cross Blue Shield of Illinois for (PPO) Medical Plan Services.

Services: PPO Medical Plan Services

User Group: Office of Human Capital

Status: In negotiations

9. 13-0925-PR18: Authorize New Agreement with United Healthcare Services, Inc. for PPO Medical Plan Services.

Services: PPO Medical Plan Services

User Group: Office of Human Capital

Status: In negotiations

10. 13-1120-PR15: Authorize New Agreements with Seven Vendors to Purchase Interactive Whiteboards, Projectors, Related Accessories and Services.

Services: Purchase of Whiteboard and Related Accessories Services

User Group: Information & Technology Services

Status: 4:7 have been fully executed; authority has been rescinded for two vendors (Dell Marketing, I.P. and Ricoh USA, Inc.); negotiations with the remaining vendor, CDW-Government, LLC have been concluded and the agreement is ready for signature.

Additional Action: This matter was omitted from the June 25, 2014 and August 27, 2014 Rescission Board Reports pending final negotiations. The extension of the rescission date is ratified to take effect as of those dates, thereby extending the rescission date to October 22, 2014.

11. 14-0528-PR16: Amend Board Report 13-1218-PR11: Authorize New Agreement with AT&T, Corp. for the Purchase of Telecommunications Voice and Data Services.

Services: Voice and Data Services

User Group: Information & Technology Services

Status: In negotiations

12. 14-0528-PR28: Amend Board Report 14-0122-PR14: Authorize First Renewal of Pre-Qualification Status of and Entering into Agreements with Enterprise FM Trust and Ryder Truck Rental, Inc. to Provide Leased Vehicles.

Services: Leases Vehicles

User Group: Student Transportation

Status: 1:1 of the agreements has been fully executed; remaining agreement is in negotiations

13. 14-0625-EX5: Authorize Renewal of School Management Consulting Agreement for Services at John Foster Dulles Elementary School

Services: Charter School

User Group: Office of Network Services

Status: In negotiations

14. 14-0625-EX6: Authorize Renewal of School Management Consulting Agreement for Services at James Weldon Johnson Elementary School

Services: Charter School

User Group: Office of Network Services

Status: In negotiations

15. 14-0723-EX2: Authorize the Ratification of the Agreement with the Illinois Institute of Technology for Summer Science, Technology, Engineering and Mathematics (STEM) Enrichment Program and School Year Programming.

Services: STEM Enrichment Program

User Group: Office of College and Career Success

Status: In negotiations

16. 14-0723-EX6: Amend Board Report 14-0625-EX9: Approve Entering into Agreements with Various Providers for High Quality Early Childhood Services.

Services: Early Childhood Services

User Group: Office of Early Childhood Education

Status: 107:109 agreements are fully executed; the remaining agreements are in negotiations

17. 14-0723-PR1: Authorize Final Renewal Agreement with Illinois Institute of Technology for Testing Administration.

Services: Testing Administration

User Group: Accountability

Status: In negotiations

18. 14-0723-PR3: Authorize a New Agreement with Careers Through Culinary Arts Program for Educational Services to Culinary Students.

Services: Culinary Arts Program

User Group: College to Career Success Office

Status: In negotiations

19. 14-0723-PR4: Authorize a New Agreement with City Year, Inc. for In-School and Out-of-School Mentoring and Tutoring Services.

Services: Mentoring and Tutoring Services

User Group: Academic Learning and Support

Status: In negotiations

20. 14-0723-PR5: Authorize a New Agreement with Learnscape, Inc. DBA Creative Learning Systems for Stem Smartlab Learning Environmental Services.

Services: Environmental Learning Services

User Group: College to Career Success Office

Status: In negotiations

21. 14-0723-PR6: Authorize a New Agreement with University of Chicago to Fund and On-Track Coordinators in 10 Neighborhood Schools.

Services: Provide On-track Coordinators

User Group: College to Career Success Office

Status: In negotiations

22. 14-0723-PR7: Authorize the Ratification of the First Renewal Agreement with The College Board for Advanced Placement Exam Services.

Services: Advanced Placement Exam Services

User Group: College and Career Success Office

Status: In negotiations

23. 14-0723-PR8: Amend Board Report 14-0226-PR1: Amend Board Report 14-0122-PR2: Authorize New Agreements with Various Vendors for the Purchase of Specialized Adapted Equipment, Testing Materials, Maintenance, Training and Warranty Services.

Services: Purchase of Specialized Equipment

User Group: Diverse Learners Supports & Services

Status: In negotiations

24. 14-0723-PR9: Authorize a New Agreement with Marriott Foundation for People with Disabilities for Diverse Learner Student Job Placement Services.

Services: Student Job Placement Services

User Group: Diverse Learners Supports & Services

Status: In negotiations

25. 14-0723-PR10: Amend Board Report 14-0625-PR20: Authorize New Agreements with Various Vendors and Ratify Agreement with Cengage Learning for Online Database Subscription Services.

Services: Online Database Subscription

User Group: Teaching and Learning Office

Status: 3:4 agreements are fully executed; the remaining agreements are in negotiations

26. 14-0723-PR15: Amend Board Report 14-0625-PR27: Authorize New Agreements with Various Vendors for Banking and Cash Management Services:

Services: Cash Management Services

User Group: Chief Financial Officer

Status: 3:6 agreements are fully executed; the remaining agreements are in negotiations

27. 14-0723-PR19: Authorize a New Agreement with CBRE, Inc. for Real Estate Broker Services.

Services: Real Estate Broker Services

User Group: Real Estate

Status: In negotiations

II. Rescind the following Board Reports in part or in full for failure to enter into an agreement with the Board, after repeated attempts, and the user groups have been advised of such rescission:

None.

President Vitale thereupon declared Board Reports 14-1022-EX5 and 14-1022-AR1 accepted.

OMNIBUS

At the Regular Board Meeting held on October 22, 2014 the foregoing motions, reports and other actions set forth from number 14-1022-MO1 through 14-1022-MO3 except as otherwise indicated, were adopted as the recommendations or decisions of the Chief Executive Officer and General Counsel.

Vice President Ruiz abstained on Board Reports 14-1022-RS2, 14-1022-OP1, 14-1022-PR3, 14-1022-PR5, 14-1022-PR7, and 14-1022-PR8.

Board Member Dr. Bienen abstained on Board Reports 14-1022-PR3, 14-1022-PR5, and 14-1022-PR7.

Board Member Dr. Hines abstained on Board Report 14-1022-RS3.

Board Member Quazzo abstained on Board Report 14-1022-RS2.

ADJOURNMENT

President Vitale moved to adjourn the meeting, and it was so ordered by a voice vote, all members present voting therefore.

President Vitale thereupon declared the Board Meeting adjourned.

I, Estela G. Beltran, Secretary of the Board of Education and Keeper of the records thereof, do hereby certify that the foregoing is a true and correct record of certain proceedings of said Board of Education of the City of Chicago at its Regular Board Meeting held on October 22, 2014 held at the Central Service Center 125 South Clark Street, Board Chamber, Chicago, Illinois, 60603.

Estela G. Beltran
Secretary

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